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PROPAGANDA AS AN INSTRUMENT OF FOREIGN POLICY

by Ralph Block

Two successive "world" wars in the first half of the twentieth century progressively uprooted traditional ideas of government and polity, changed international boundaries, and supplanted ruling castes. Widespread political and technical transformations began to take place which vitally affected the two-ocean isolation of continental United States. World War I modified the international power balance; World War II destroyed it. In its wake, it left a vacuum into which the United States, on behalf of its security, has had to extend itself. The United States international informational and educational exchange programs, established by statute in the Department of State in 1948, are an agency of this extension.

Developing a Propaganda Program in Peacetime

The Soviet Union, which was transformed visibly in 1946 from a suspicious ally to an ideological and political enemy is competing in the postwar period with the United States in world areas of political and social displacement and distintegration.

¹ Permanent statutory authorization for the Secretary of State "to provide for the preparation, and dissemination abroad of information about the U.S., its people, and its policies, through press, publications, radio, motion pictures, and other information media and through information centers and instructors abroad," was embodied in Public Law 402, the "U.S. Information and Educational Exchange Act of 1948." The Congress declared the objectives of the law to be "to enable the Government of the U.S. to promote a better understanding of the U.S. in other countries, and to increase mutual understanding between the people of the U.S. and the people of other countries;" information about the U.S., its peoples and policies, and an educational exchange service to cooperate with other nations, were stated as the means by which these objectives are to be attained.

By the trend of world events, rather than by design, the United States emerged from war in a position of power and authority. That position made unavoidable its assumption of responsibility in its own defense for the survival of the concepts fundamental to Western civilization. The United States Government, therefore, could not longer forego in a de facto peace what it had previously used only in time of war—a foreign information instrument, utilized in the broadest way, in concert with political and economic measures, to assure the attainment of its foreign policy objectives. Of these, the continued security of the United States is an over-all purpose.

Behind the somewhat general terms of the enabling act was the intention to extend the ideas and concepts inherent in the United States constitutional and traditional democracy among other peoples as a general process. Thus, a correct understanding and the true facts would supplant vague or incorrect understanding and intentional distortions; and other people and governments would be influenced by true understanding to think and act in ways conducive to acceptance of United States standards and interaction with them. There was no conflict here with the traditional American reluctance to engage in foreign "propaganda."

As an instrument of foreign policy, the United States foreign information-exchange enterprise was bound to become more than a mechanism of transmission. A kind of osmosis has entered into the function, by which the programs projecting the substance of American life have had to absorb in their processes the essential character of what they are interpreting. They contain implicitly in

their procedures those elements which differentiate United States democratic practice from socialpolitical concepts and practice under the forms of absolutism. A belief that the truth will make men free governs their action.

Crystallization of isolated principles and methods of persuasion, as they have appeared in historical instances, into an organized expedient to influence populations in a particular direction is

a phenomenon of modern societies.

Propaganda, in its general sense of the propagation of an idea, found a ready-made arena in conditions created by the industrial revolutionits development of magnitudes, contraction of distances by means of technical invention, great urban concentrations, and socio-political crystallization of cultures. As propaganda became a weapon in war, it consolidated its a priori planning functions and was transformed into a predetermined assault on conscious and unconscious group factors as embodied in symbolisms and language. Regularity of impact became a primary rule of successful propaganda, and coherent organization to guarantee regularity became an essential element.

After the Department of State's inheritance of the skeleton machinery of the Office of War Information in 1945 was legalized by statute in 1948, it was seen that although much had been learned about the propaganda function in war, much remained to be discovered about the mission and execution of United States propaganda in an uneasy peace. Was "a better understanding of the United States in other countries" and "mutual understanding" to be promoted chiefly by the illustration and exposition abroad of American benefits and virtues-"the American showcase"? Was the United States to embark only on a dignified dissemination of information in an international atmosphere surcharged with misunderstanding, villification, and falsehood about United States purposes and institutions?

These questions needed more than theoretical answers-the pressure of world events required a response taking into account the full scale of the American spirit, its hardy realism along with its fundamental morality and its idealism.

Aims of U.S. Propaganda

The final aims of United States foreign policy and of United States supporting propaganda, in its sense of the propagation of a faith in what the United States stands for, are identical. Nevertheless, a difference exists between the categorical objectives of United States foreign policy, as expressed in measures such as the Marshall Plan and related measures, and the practical working objectives of United States propaganda.

United States foreign policy aims to assure the security of American free institutions and liberal tradition to assist in the development and survival of similar forces elsewhere and to promote conditions of international stability, freedom, and political evolution likely to contribute toward that security. The technical objectives of the United States foreign information and educational exchange programs complement these aims.

By its very nature, propaganda cannot operate independently of a policy threshold; policy is both the gun mount and the missile; propaganda, the propeling explosive element. It can prepare the way for substantive national policy, can assist in the qualitative formulation and statement of policy to insure an understanding reception, can act to ameliorate the intellectual climate in which political policy is enunciated and has to act; but, in any final effectiveness, propaganda must have substantial purposes to work on. It is meaningless in a policy vacuum. In this respect, the North Atlantic Treaty is a branch of national policy; the illumination abroad of American character, its integrity of purpose and power to fulfill its obligations are accompanying propaganda objectives. If propaganda situations arise in which the credit of the United States suffers by the lack of a political instrument to which propaganda can supply motive power, it is the responsibility of propagandists to point up the omission.

Contrary to the public assumption that official propagandists are dashing cavaliers engaged in verbal combat with similar adversaries, United States Government propaganda is an organized function. It speaks through organized media; it coordinates with United States foreign policy and related events; it is familiar with the ethnic, political, and social characteristics of global areas; and it recognizes the cultural values of other peoples. The function of propaganda also includes an intensive knowledge and understanding of the history, people, and institutions of the United

States.

Accordingly, the processes by which decisions of propaganda policy, arising out of national policy and developing events, are arrived at are not accidental. Similarly the application of propaganda policy by field operators must be based upon equally organic considerations. In his mission, the United States propagandist must be prepared to recognize and to deal effectively with facts in the foreign world which are undesirable from the standpoint of United States security or which, on the other hand, may be fostered as beneficial to United States security.

Ignorance about the United States is a fertile soil for the accumulation of grotesque stereotypes and extravagant distortions of American life and casually developed misconceptions and doubt of United States motives which would be damaging even in a world in which no Communist aggressor existed.

The fundamentals of the political and social life of the United States are not easily understood by many foreign peoples who for centuries have existed under social and political forms which bear little resemblance to a free democratic life as we know it or have come only lately in the moments of history to similar concepts. Communist propaganda has taken quick advantage for its own purposes of this lack of understanding; even the term "democracy," with its powerful historical connotations, has been taken over and its meaning perverted for Communist use.

Defense Against Communist Propaganda

The Communist offensive draws added strength from these misconceptions; misunderstanding and falsification are further stimulated in a highly organized attack upon every aspect of American life and of the intellectual and economic commerce between the United States and other nations. In this attack, Moscow has developed a formula of "news" propaganda, which is neither new nor news but which directly reflects the philosophy of the end justifying the means. The formula is fiction written and spoken under the guise of fact, employing trained and experienced craftsmen in the sphere of the imagination. Defense against this attack requires much more than a showcase treatment of the United States; it requires a well-organized positive program, exposing the juggling of ideas and language of the Moscow propagandist and utilizing the disposable media in all the ways which may be conducive to receptive understanding abroad. On the one hand, it must illuminate United States purposes; on the other, it must penetrate and expose false ideas about the United States and about the world at large, those which are intentionally propagated and those stereotypes which arise from ignorance. As such, it cannot be passive. Its impact must have continuity and, within the confines of clearly understood psychological laws of propaganda technique, it must be militant. Above all, as opposed to the improvisations of hostile attack, it must be considered, factual in content and must build cumulatively for long-run credibility.

Credibility can be attained not only by sincerity of purpose and honesty of method but also by communicating sincerity and honesty through psychologically sound methods which will elicit understanding. The propagandist cannot forget that his objective is more than a substitution of bad concepts with good ones; his ends will be best served by creation of a permanent atmosphere of good will and understanding, motivating other people and their governments to act in consonance with United States purposes.

The most important Soviet weapon, more important than its atomic weapon, is the vast illusion, fortified by an equally vast body of dogma, which Soviet imperial communism spreads through its world-wide machinery. The latent idealism of peoples everywhere is the target of an ideological fabrication about the humanitarian objectives of Soviet communism unmatched even by the propaganda of Hitler or Goebels. The penetration and collapse of this illusion, with its Machiavellian distortion of moral ideas, is a major mission of United States propaganda; to make clear its hidden aggressive designs against humanity and the system of human slavery which lies concealed behind its promises is a fundamental purpose.

To be effective against this mass attack on the foundations of Western cultures, one must do more than present life in the United States as an example of evolving democracy. The illustration in its many forms has its place and is important. But, behind it, is an idea—an ideology in the sense of a set of beliefs in self-government and its corollaries—which is of first importance if foreign peoples are to be influenced through their reason and their convictions against the false promises of Soviet communism.

Under the conditions of the Marxist-Leninist ideology, it would be naive to believe that opposing propagandists are sincere servers of a cause and that one purpose of United States propaganda is to convince them of anything. The propaganda battle cannot be reduced to the proportion of a game between opposing teams. To be drawn into a battle of words is not merely wasteful, it is a confession of weakness. Propaganda advance does not lie in confuting the opposition propagandist but in persuading the audience, and confronting the power psychosis of its rulers with hard realities.

Techniques in Spreading U.S. Ideas

Few Americans will be able to agree entirely on the essential meaning of American life, the set of beliefs which underlie life in the United States; indeed, this independence of individual judgment is itself an aspect of a fundamental trait. Yet a common denominator can be found in the body of American thought and action as exemplified in our history and legislative-judicial determinations.

The Count de Tocqueville, who saw the United States in the 1830's, drew attention to our instinct to act in groups, form committees; in the light of later events, this instinct has become a basic characteristic of the American wish to arrive by discussion at agreement and uniform judgments. It is the democratic process in full play, in which the highly developed individualism of a people who had to make habitable a continent finds resolution in action for the common good.

American self-reliance became "collective individualism . . . a togetherness of several and not the isolation of one." But, within this spirit, at once self-reliant and cooperative, lie those ethical value of democracy which were first expressed in the Declaration of Independence and which fortify Americans in their continuing adventure.

So intimately connected with it as to appear to grow out of it is the American instinct for the dignity of the individual human life. At this point, in this atmosphere of liberty and respect for the person—of liberty within law—the United States fronts the peoples of the world who are under the heavy pressure of the monolithic state. The "give" in the American social and political system, like the "give"—as opposed to rigidity—in any successful mechanism, and as opposed to the static rigidity of a totalitarian state, continues to free the self-generating energy of Americans toward building a progressively better world.

To express this faith in the avenues and channels

of the United States foreign information and educational exchange service requires more than an informed knowledge of the skills and techniques of propaganda. The character of the propagandist—and this is especially true in operations abroad-has a direct relation to the effectiveness of what the propagandist has to say. The men and women who are engaged in the foreign information and exchange service will fulfill the requirements of these purposes in the deepest sense only if they themselves have a clear understanding of and belief in the essential meaning of the American society-its history, its ideals, and its aspirations. They must have an assured belief that the American scheme of living, its underlying emphasis toward continuing human betterment, contains a satisfactory principle by which the immense range of global problems can be practically resolved.

The United States propagandist must avoid permitting himself to be driven into a position of apology for any incompletion in the evolving United States society. He must be prepared to meet not only the broadside of Communist attack but also the criticism of friendly peoples who, through ignorance, the inertia of provincialism, or a fundamental difference of concept, question the American free enterprise system or any factual demonstrations of our attitude toward the problems of race and labor. The competitive nature of American life is directly related to our fundamental philosophy about the individual person.

Co-equal with the individual's right to exist as such is the American regard for his opportunity to compete. As American society has become more complex, both the individual and his opportunity have had to respond to regulation by law in order to equalize liberty to act and the area of opportunity in which action becomes possible. Under criticism, it is not the time lags in the American society that should be stressed, but the regulatory safeguards to unlimited competition and the statutory and legal decisions which under social impetus continuously press on to substitute fulfillment for the incompletions of an evolving democratic society.

The competitive factor in the American scheme contains an enduring stimulus to new techniques in living and differentiates us from the frozen mold of monolithic societies. Social and economic experiment on a stable time enduring foundation is the sign of a living social organism. Every

effort must be made by the propagandist to keep informed of and to exhibit the relation of our social and political system and its traditional underlying democratic concepts to the development of our economic order, its benefits, and its controls.

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Without invalidating the principle of objectivity, the United States propagandist is always concerned with selectivity. Whether it is a formal process or subconscious and intuitive, he is always asking, "What do I intend to impart? To whom am I talking?" His selection of facts will be governed largely by the answers to these questions. His propaganda approach in each particular instance will be incomplete until he has also selected his primary carrier and the psychological means he intends to use. Soviet propaganda for 2 years has tried to "commit" the United States in the eyes of the world to the role of a war-intentioned power. Conversely, the responsibility of the United States propagandist is to tag the Soviet power indelibly with the phantom "peace" behind which it exerts all the instruments of tyranny and force. The disparity between Soviet statement and action must continuously be exposed.

The principle of "committing" an adversary in the world's eyes to more than he can or will accomplish is always an effective propaganda instrument. In addition, the United States propagandist must remember that, aside from his assumed target, he has an eavesdropping audience—often the most important one.

The transmission of understanding from one people to another can be carried out only across the bridge of whatever understanding already exists between them. To portray the major significant aspects of American life is not enough; these can be effectively interpreted and understanding be inculcated only in terms of the familiar and homely facts which underlie equally the life of Americans and of those whose understanding we seek to enlist, coupled with respect for the indigenous culture of those who are addressed.

To speak in the ways of the peoples to whom propaganda is addressed through what is familiar toward what is to be related holds as much for visual information as it does for what is written and spoken; it exceeds the limits of merely literal, visual, lingual, and phonetic requirements. It concerns the basic symbols of thought and expression in which foreign peoples think and conduct

their intellectual, spiritual, and social affairs. It is equally true that the projection of United States information abroad must take into account the different levels of literacy and of social and economic position that exist in any one national group. The Indian farmer cannot be addressed in the same language as the scientist or the scholar.

United States foreign information and educational exchange services have also a larger province than American life. The true facts about the contemporary global scene in all its aspects must be reflected over and over and in many penetrating ways to those who are ignorant or are dangerously deceived. In the interchange of persons and cultural elements, we must understand how to use the spiritual and physical strength-our great accumulation of technical knowledge and experience and the moral credit of the United Statesto penetrate through barriers of race, custom, and language to the hopes and fears of peoples whose thoughts and behavior we wish to influence; and equally to maintain an accurate picture before the world of the potential resource and power of our will to peace.

Organizing a Propaganda Program

A continuous long-term propaganda program must have an organized method of measuring its effectiveness. Skillful projection to the target cannot depend only on background intelligence and the propagandist's intuition. Only by a proved system of evaluation can he be assured that he is not wasting effort and national funds. Moreover, a well-established evaluation system supported by propaganda analysis becomes a periscope by which the propagandist is able to see into the minds and behavior patterns of his target.

What tomorrow's international world will be, its shape, and content, is foreseeable in only a general sense. That part of it, however, which may be termed "the predictable future" in the context of United States foreign policy formulation, must, by its very nature, be identifiable with the attainment of United States foreign policy objectives. Although world political systems evince little of the precision of celestial mechanics, policy formulation is bound to act on the assumption that, within certain psychological limits, specified causes will account for specified results.

It is in respect of the relation between the imminent present and the foreseeable future that

United States foreign information policy must, in its most significant phases, find a comprehending principle. These two separate time dimensions, each with its own forces and casual relations, are nevertheless inescapably connected and flowing one into the other. Overtaking and fulfilling the purposes of the present should add to the possibility of attaining the objectives of 5 years from now. The policies underlying short-range and long-range United States foreign information must each comprehend the other. Short range information activities, even concentrated as they must be on significant current actions, should be in a mood and tone of quiet assurance that the accomplishment of the long-range objectives of United States policy will be attained—that the United States Government and the free governments with which it is associated will, by reasonable but firm means, rebuild a peaceful and productive world in which the hindrances to free intercourse between peoples will have been eliminated.

In this "predictable future" one cannot presume that all misunderstandings between peoples will have vanished or that the people and institutions of the United States will be seen clearly and without distortion in the international perspective and with complete understanding. This consummation devoutly to be wished cannot be one sided; to be seen in our true shape and color will require that we receive full benefit from those who come to the United States in the exchange programs and that we continue to be encouraged beyond the stimulus of war to understand other people and other ways. The organic society developed by the people of the United States has been extraordinarily marked by its capacity for change, for its ability to develop to the utmost within the area of its traditions and concepts, its human and material resources. This development is the potential of a free society.

In addition to the stimulus of increasing industrialization, American society is now responding to the accelerated impulses of the emerging American world position. In reflecting the United States to other nations, we cannot avoid taking account these changes. An adequate portrayal of America abroad and an accurate index to contemporary American life may require a revaluation of American mores today, a study of possible changes in our national texture and purposes after a quarter century of world wars.

U.S. Informational Aims in the Cold War

by Edward W. Barrett
Assistant Secretary for Public Affairs 1

What about the many areas of the world which the Soviet Union still has not been able to dominate? What are they trying to do there? The Russian dictators seem to have given up hope—at least temporarily—of winning the mass of the people over to their side, but they have intensified their propaganda with another object. As a leading French journalist put it the other day, the Kremlin is pushing a mass attack to discredit us among these peoples, to picture us as self-seeking imperialists. If they can't win allies, they at least may disaffect these people and turn them against us. The Kremlin is making a strenuous effort to build up sentiment for neutrality. That is the

increasing threat we face in the areas not under Soviet domination.

What are we doing to combat all this?

First, so far as the Iron Curtain is concerned, we have a mighty weapon—radio. Radio is the one major medium which can bypass censorship and suppression of news, can hurdle over locked frontiers, can blast its way even through iron curtains, and can reach peoples at all educational and cultural levels. We are using this weapon to pour in a stream of factual reporting and news analysis as a corrective to distortions and slanders against American life, aims, and policies and to expose the lies, hypocrisy, and brutality of the Soviet and satellite Governments.

Recently, as you know, we have met a desperate Russian effort to deprive us of even this method of reaching the Soviet peoples. We have been hit with the greatest jamming operation in history.

¹Excerpts from an address made before the New York Professional Chapter of Sigma Delta Chi, New York, N.Y. on May 18. For complete text, see Department of State press release 513.

We have triangulated at least 250 Russian stations that are devoted exclusively to jamming the Voice of America and the BBC. The Russians are spending more money on their jamming than we are spending on our entire radio output. This jamming is, of course, in clear violation of the international agreements which the Russians signed as members of the International Telecommunication Union.

Overriding Soviet Jamming

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We are doing something about that. We now have a concerted campaign to override the Soviet jamming which reached its high point of effectiveness a few months ago. To cut through the jamming, our radio people have already joined with the British in massing our transmitters so that 70 British and American transmitters are broadcasting to the Russians in Russian at the same time every day—for a half hour in the morning and a half hour in the evening. We are making strenuous efforts to step up the total number of stations engaged in this effort. We hope to persuade some of the other free nations which have transmitters capable of penetrating the Iron Curtain to join in this program of transmitting the truth behind the curtain.

We are also achieving some results by the process that our technicians call by the cozy term "cuddling." This is simply putting certain of our transmitters on frequencies so close to those used by the Russians themselves that they cannot jam us without jamming out their own broadcasts. They do jam both on occasion, but they also let some through. Also, we are broadcasting in slow Morse code to Russia—in the knowledge that some thousands of Russian communication people, ham operators and so on, will listen in. And we are repeating our Voice programs to Russia on a 24-hour basis.

We hope, as soon as the funds and personnel can be made available, to increase our Voice of America output to the satellite nations, from which our other information operations are now being steadily pushed out. Although details have not been worked out, we hope at least to double our radio output to these nations. This is important. So far the satellites have not been able technically or financially to do much jamming. We have conclusive evidence that in the satellite areas, the people hang on to what we have to say. We are reaching practically the entire population of those countries with whatever message we beam to them.

In the many areas of the world still free of Soviet domination but where we must meet unceasing Soviet propaganda, there are multiple information needs and problems which must be analyzed and met. Who is going to do the job? Are the American press, radio, private organizations, and plain ordinary American citizens and

tourists going to do it? Yes, they are, in part—and I repeat, in part.

To begin with, there are many critical world areas which private American agencies reach either most inadequately or not at all. Also, virtually all those who have studied the problem—including an ASNE committee and our own advisory committee of Mark Ethridge, Erwin Canham, and others—are convinced the job cannot be done by private organizations alone. The picture of America must be continuously corrected and

brought back into balance. Private enterprise is

Information and Exchange Programs

not a corrective agency.

Accordingly, we must have the full range of the Department's information and exchange of persons programs which finally got a green light from the Congress 2 years ago. The parts of the whole program, broadly speaking, are as follows:

VOICE OF AMERICA

The first and best-known I have already mentioned—the radio Voice of America. The Voice now operates from 38 short-wave transmitters strategically located throughout the United States and beams a direct radio signal to target areas around the world. Most importantly, these transmitters feed relay stations in England, Germany, Tangier, Greece, Hawaii, and the Philippines. The relay stations boost the programs along on both short- and medium-wave transmitters.

The Voice is on the air daily around the clock with an output of 70 programs in a total of 25 languages. On an over-all average, the programs consist of 31 percent news, 56 percent analysis and features, and 13 percent music. To Iron Curtain countries, we send 47 percent news, 52 percent analysis and features, and only 1 percent music. The news reports, analysis, and features aim at giving a full and fair picture of what goes on in the world, what American policies and aims really are, and what America is really like.

The daily audience reached by the Voice is estimated at 300 million people. Many methods of measurement are used—for example, letters from listeners. In 1949, letters from listeners averaged 10,000 a month. The rate has now risen to 25,000 a month.

The Voice is a big operation, but, even so, we are doing in international radio only a part of what BBC is doing and about half of what Moscow is doing. It is my conviction that we should do more—that the Voice should speak in every important language of the world and reach loud and clear to every radio receiving set in the world. That decision, of course, is up to the American people and their representatives in Congress.

WIRELESS BULLETIN

The second component in our information program is the Wireless Bulletin and related services. Six days a week, by Morse-code radio transmission, we send a stream of factual information. which is released through about 130 American missions overseas. With verbatim texts of important official documents, speeches, and other background press material, we give a detailed presentation of United States policies and the official United States view on international questions of the moment. This material reaches foreign governments, foreign editors, and the general public in many countries. The overseas representatives of American newspapers, radio networks, and press services have frequently been glad to have this Department program available, for we always give them this textual material before it is publicly released.

I hope you will agree with me that the press services have an even more weighty reason to welcome these information activities of the United States Government. Among the objects of the Government is to keep it possible for a free press to exist and operate throughout the world. Contrary, therefore, to what we sometimes hear, the information programs of this nation are in harmony with the most fundamental interests of the American press services and in no way impair their objectivity and integrity. I hope the great press services will see their way, in this crucial period, to increase their aid to the Government's efforts in this field.

FILM PROGRAM

Third, we have our film program. Movies depicting the ways of democracy and the decent things for which we stand are shown throughout the world to audiences totaling 10 to 12 million a month. The films are shown in schools, clubs, and theatres. They are shown in backward areas by experimental jeep mobile units which we recently developed and which have proved extraordinarily effective—so much so, in fact, that we hope soon to get approval for a great many more.

INFORMATION OFFICERS

Fourth, and in some cases the most important, is the incessant, day-to-day contact work between our Public Affairs Officers overseas and the leading editors, educators, and heads of organizations. I heard a leading British editor say during a recent visit here: "I can't tell you how useful it is to have your information officers keep in touch with us and supply us with important official information. They are so discreet that I don't even mind their calling up to straighten us out when we have written an editorial they consider misleading. They generally supply us with the facts and somehow they are fiendishly good at persuading us

to run another editorial straightening out the picture we have given of your country."

LIBRARIES AND CULTURAL CENTERS

Fifth, we have our libraries and information centers and cultural exchange centers which are visited day after day by a yearly total of 4 million foreign citizens. I myself was once skeptical of these operations, but I have been immensely impressed by their effectiveness as I have traveled overseas. We don't have to guess at why the Soviet Union became worried and forced the Czechoslovaks to close our center in Praha. It was being visited by almost 7,000 Czechoslovaks a month, eager to find out more about America and about the free way of life.

EXCHANGE OF PERSONS

Sixth, we have an exchange of persons program—still too small in the opinion of many of us but, nevertheless, important and effective. We bring leaders and potential leaders of other nations to America for visits, to study and to work with their colleagues here. We show them everything, the good and the bad—the worst slums, for example, along with the best housing projects with which we are replacing slums. We find that this frankness impresses them as much as the strength, the determination, and the fundamental decency of America. We have no better advocates than these visitors when they get back home.

PRIVATE ORGANIZATIONS

Seventh, we give all the support we can to private organizations—labor unions, business concerns, film companies, press associations, and publishers—to help with their overseas interests and to get their assistance in our task of spreading a true, fair, and objective picture of this nation throughout the world. They are an essential and very major part of the real Voice of America, and many of them are doing a superb job of helping to promote friendship and understanding between the American and other free peoples.

Results Achieved

There are other activities, but these give the picture of how we are operating and the scale of our information programs. How is it working out? What results are we getting?

After our Minister, Donald Heath, was recalled from Bulgaria, he told me the Voice of America was the most effective single instrument used on our side of the cold war and that he believed it could be made even more effective by stepping up the Bulgarian output of the Voice.

When Mrs. Oksana Kasenkina jumped from a window of the Soviet Consulate here in New York, the Voice put the facts on the air. A few hours

later the news was all over Moscow, long before any Soviet paper printed a word about it. On other occasions, the official Soviet press has been forced to print news it would have preferred to suppress or distort. Last spring, for example, the Voice broadcast the full text of the North Atlantic Treaty in Russian. Two days later, Izvestia published the full text of the pact. It is impossible to overestimate the importance of such Voice feats in telling the Soviet peoples the truth about the free nations and forcing the official Soviet press to confirm it.

American newsmen can note with special interest another example The Voice told the world that Hungary had refused to admit Gabriel Pressman to the court to cover the Cardinal Mindszenty trial for the New York Times. The next day Pressman himself spoke over CBS, saying, "Reports came to Hungary via the Voice of America that the Government was not permitting me in court. It was then that the Government suddenly discovered that there was room for a second American correspondent." He covered the trial.

I could go on with such evidence for a long, long time. Let me just say that it piles up and up. It has convinced me and has convinced a large number of Members of the Congress, as well as the President, that this activity is vital. The information program is one of the few hard-hitting weapons we have in the intensifying cold war. In the last shooting war, propaganda was just an auxiliary weapon, but in this curious and dangerous world situation of today, it is one of the three major weapons we have. We have the economic. We have the political. And we have the psychological.

Expanding Information as Cold War Weapon

There is a deep conviction in the Department, and I think a growing awareness in other quarters, that we should and must expand our use of truthful information as a cold war weapon; we must increase and improve everything we are now doing; and we must, particularly, enlist the greater support of private agencies in the job. Beginning in July, we plan to hold a series of talks with representatives of private American media and organizations to see whether we can't help each other more.

To me, perhaps the most impressive testimony for greater American use of the weapon of truth came from Lt. Gen. Albert C. Wedemeyer, Commanding General of the Sixth Army, in an appearance before the House Appropriations Subcommittee. Speaking of "the importance of reaching the minds and hearts of individuals with our program and our ideas," General Wedemeyer declared: "In my opinion, we should no longer consider our military forces—the Army, the Navy, and the Air Force—as our first line of defense. In my opinion, the machinery, whether it be the Voice of America

or a psychological warfare agency, that our Government sets up will make a stronger contribution and should be considered the first line of defense of our country."

All of you who have just heard those remarkable words of General Wedemeyer's are just as much involved as I am in this battle for men's minds which we call the cold war. The Voice of America is the total voice of this nation. The question now is: How loud and clear shall it carry the truth around the world? I, for one, think we must put into it all the thought, energy, and funds that we can soundly and effectively devote to this purpose. The cost of our operation for an entire year now amounts to about what this nation spent every 6 minutes during World War II.

The big question is: Can we afford not to spend the equivalent of a few more minutes of "shooting war" to step up our campaign of truth, our campaign to break through the Iron Curtain and to unify the nations of the free world against the menace to us all?

Our critics abroad have often pointed out that, it takes an emergency for Americans to pull in harness together but that when we do recognize an emergency and do pull together, watch out! I say to you in all sincerity that we are in an emergency now. The time for total cooperation is here. We must act together with the full power of this nation.

Foreign USIE Employees Visit U.S. for Orientation

Forty-one employees of the United States Information and Educational Exchange programs who are nationals of other countries will arrive in the United States about May 15 for 2 months of orientation and consultation, the Department of State announced on May 9.

Objective of the visit is to increase the effectiveness of the United States Information and Educational Exchange programs abroad by providing selected employees with an opportunity to get a first-hand view of Americans and American life and to consult with units of the Department concerned with the program.

Employees, carefully chosen from 36 United States posts overseas for ability and devotion to the USIE program, are engaged in press, radio, motion picture, library, and exchange activities. The United States will benefit from the increased knowledge and understanding of this country, its policies, and its people which, it is expected, the employees will derive from their visit.

Civic groups in several areas of the United States are arranging programs for these employees to give them an opportunity to observe many aspects of American life, including industries, homes, communities, schools, churches, parks, shrines, newspapers, and radio stations.

"... the objective of our efforts is peace, not conflict."

Address by the President 1

Today, our foreign policy is that of one of the strongest nations in the world. But the future welfare of our country still depends upon our foreign policy just as it did in Jefferson's time.

This is true not only because the world has shrunk in terms of space and time—it is true also because in our day totalitarian tyrannies have sprung up in the world. These tyrannies, whether of the left or of the right, have threatened free institutions and free governments everywhere.

In this situation, our country has been impelled by the principles of freedom for which we stand, and by the needs of our national security, to take a leading role in the search for a just and permanent peace among nations.

We have taken the position of leadership that President Wilson wanted us to take after the First World War. Our aim today is the same as his aim was then—to establish a peaceful world order in which disputes between nations can be adjusted without bloodshed, and the individual can be sure of justice and freedom in his daily life. The creation of such a world order requires an international organization of free and independent nations, cooperating voluntarily in the maintenance of peace. It also requires collective action to prevent aggression.

We refused to assume our responsibilities as a nation after the First World War. But by the end of the Second World War, we had learned our lesson.

Steps Teward International Cooperation

Since that time, we have joined with other nations in the formation of a world organization to keep the peace. We have used our resources to aid the recovery of war-shattered economies. We have aided in carying on international activities in economic, social, and cultural fields. We have helped to build a greater degree of in-

ternational cooperation than the world has ever known before.

Our actions for peace have had the support of the American people without regard to political affiliation. Our foreign policy has been bipartisan, and I am confident that it will remain bipartisan.

The steps we have taken toward international cooperation offer real hope and opportunity to mankind. But they have not yet provided us with the assurance of a permanent peace.

The reason is clear. In the 5 years that have passed since the end of the war, we have been confronted with a new, powerful imperialism. We had hoped that our wartime ally, the Soviet Union, would join in the efforts of the whole community of nations to build a peaceful world. Instead, the Soviet leaders have been an obstacle to peace.

By means of infiltration, subversion, propaganda, and indirect aggression, the rulers of the Soviet Union have sought to extend the boundaries of their totalitarian control.

With a cynical disregard for the hopes of mankind, the leaders of the Soviet Union have talked of democracy—but have set up dictatorships. They have proclaimed national independence—but imposed national slavery. They have preached peace—but devoted their energies to fomenting aggression and preparing for war.

The result of these tactics has been to spur the free nations on to greater cooperation and more vigorous efforts for the improvement and the defense of their own institutions. These efforts have been without parallel in history. Five years ago, we would not have dreamed that such joint efforts as the European Recovery Program or the Atlantic defense program were possible in time of peace. Measures of even closer cooperation are now being planned and set up.

Dangers of Isolationism

We have made good progress so far. Because of this progress, we are confident that we can es-

¹ Delivered at St. Louis, Mo. on June 10 and released to the press by the White House on the same date.

tablish the conditions necessary to a genuine peace. We know that the free world has both the will and the means to insure its own survival. But I would like to emphasize the difference between confidence and complacency. We cannot be complacent. Our ultimate success depends on sustained further effort. We have joined with other nations in establishing a new and stronger kind of international association than we have known before. But there is a long road ahead.

There are, of course, some people who are urging us to pull out of these joint efforts to achieve a lasting peace for the world. They point to the difficulties we have already experienced and the long road that lies ahead. They want us to reverse our foreign policy, withdraw from our cooperation with other nations, and retire behind our own

defenses.

These people are known as isolationists. They are dangerous not only to the cause of world peace

but also to our national security.

The isolationists take an upside-down view of our affairs. They want us to stop giving aid to free nations that are able and willing to make good use of our help. They ask us to give up in the very places where we are succeeding. They say that cooperation with friendly nations is too expensive, but they forget how much more expensive it would be to abandon our allies to the aggressor and try to defend ourselves alone.

Peace costs too much, they say. But their policy would permit free nations everywhere to be swallowed up one by one and would leave the United States alone as the sole defender of

freedom.

Isolationism is the road to war. Worse than that, isolationism is the road to defeat in war.

The people who are striving to destroy our foreign aid programs and our programs for the common defense of the free nations are striking at our own national security. They may not mean to do us harm, but they are as dangerous to our future as those who deliberately plot against our freedom.

Most of the American people know this. Most of us have enlisted in the struggle for world peace "for the duration." We are not thinking of

deserting.

What we want to know is what progress we are now making in the struggle for peace and what we have to do in the future to achieve our goals.

Militaristic Course of the Soviets

In looking at the current world situation, it is plain that the present policies and activities of the Soviet Government are not contributing to peace. The Soviet Government is refusing to participate in the work of the United Nations. Representatives of the free nations are being forced out of the satellite countries. Soviet leaders are turning the school children of Eastern Germany into the

same kind of pitiful robots that marched into

hopeless battle for Hitler.

At home, the Soviet regime is maintaining the largest peacetime armed force in history, far greater than it needs for the defense of its own boundaries. The leaders of the Soviet Union, instead of using their resources to improve the well-being of their people, are devoting a massive share of those resources to the acquisition of further military strength.

We have tried to dissuade the Soviet leaders from this militaristic course, so unnecessary, so costly to their people and to ours, so antagonistic to the pursuit of peace. After the war, we demobilized the bulk of our Army, Navy, and Air Force. In the United Nations, we put forward proposals to share with the world the development of atomic energy and to prevent the use of the atomic bomb. We urged general disarmament and the creation of United Nations forces. But, despite all those peaceful efforts, Soviet armament has continued to increase.

These ominous activities of the Soviet Union, however, are being offset by the growing strength of the free world. The free nations are making steady progress in creating more satisfactory conditions of life for their people and stronger de-

fenses against aggression.

The strength of the free world is not to be calculated primarily in military terms. Economic, political, and moral strength are equally essential, because the challenge which confronts the free nations is far more than a military challenge. Communism feeds on weaknesses of whatever kind. Wherever the free nations fail to meet human needs and aspirations, they are vulnerable. In this sense, the Soviet threat is a challenge to the free world to live up to the principles it professes.

Increasing Strength of Western Nations

The free nations are meeting this challenge with vitality and energy.

Over a great part of the world, the work of recovery and peaceful development is quickening its

pace.

Our faith in the recovery of Western Europe, expressed in the Marshall Plan, has been justified many times over by the near-miracle of production we have been witnessing. We have seen dramatic evidence there of the will to work. We have also seen resolute expression of the will to be free and to unite in common defense.

Last month, the Secretary of State went to Paris and London to meet with representatives of our partner-nations in the North Atlantic Treaty. Those meetings demonstrated two significant facts: First, the nations of Western Europe have grown much stronger and much more confident during the past year. Second, the nations of the North Atlantic Treaty are rapidly forging an effective part-

nership for a great purpose—to preserve their freedom and improve the lives of their citizens.

The recent proposal of the Foreign Minister of France, Mr. Schuman, is evidence of the growing community of purpose among the free nations. He proposed that the coal and steel resources of Western Europe be pooled and utilized jointly for the benefit of all. This statesmanlike move and the warm German response to it are among the most encouraging developments in Europe since the end of the war. Meetings are being held now on the Schuman proposal and, if the details can be worked out, this plan will help to end the age-old rivalry between France and Germany and result in a far more peaceful and productive Europe.

In the sphere of defense, the decisions made at London give further evidence of the growing community of purpose of the North Atlantic Treaty countries. These countries are making plans to use their resources wisely so that military protection and social progress will both be maintained.

To this end, the Treaty nations adopted the principle of creating balanced collective forces of the most modern and efficient type. This means that each country will contribute to the common defense of the North Atlantic area in accordance with a common plan, instead of trying to create a complete modern defense establishment for itself.

Such a balanced collective defense will be stronger and less costly than the old system of completely separate defense establishments. will make it possible to provide the necessary military protection without imposing an unmanageable burden upon the economies of the member countries. Countries, like the United States, which have responsibilities for maintaining peace and security outside the North Atlantic Treaty area, will, of course, continue to maintain whatever defense forces are needed to meet those other responsibilities.

The conferences in Paris and London also dealt with the situation in Southeast Asia. In that area, Communist agents are trying, under the cloak of nationalism, to destroy the independence of newly formed free nations.

The governments of these nations are resisting Communist encroachment and subversion to the best of their ability. We are now extending economic and military assistance to these countries to help them create the stability necessary to resist Communist pressure and to promote better conditions of life for their people. This aid to the countries of Southeast Asia is designed to make it possible for them to work out their own destinies in cooperation with the other free peoples of the

The United States intends to do its part in supporting the decisions and implementing the plans developed at Paris and London.

The free nations of the world have all the elements of strength necessary to protect themselves from aggression. They are applying one of the clearest lessons of the two World Wars—that peace-loving nations must be strong, determined, and united if they are to preserve the peace. The resolute efforts being made by the United States. in concert with other free nations, enable us to face with confidence the hazards of the future.

We cannot be complacent, because the dangers we confront are many and serious. On the other hand, we must not become hysterical. In all probability we shall be required to make substantial efforts for peace for many years to come. But our situation is strong; our strength is growing. We must remain cool, determined, and steady.

Above all, I wish to emphasize that the objective of our efforts is peace, not conflict. What we seek is not domination over any other nation or people but simply the creation of a just international order, applicable to all nations. We believe that this aim can be achieved when all nations seek it in good faith. We look forward to the time when all international differences can be settled peacefully, and by negotiation, on the basis of these principles.

In the language of the Charter of the United Nations, we are determined "to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind."

The people of the world look to the United States of America as the strong bulwark of freedom, and to them we pledge that we shall work side by side with other free nations in order that men the world over may live in freedom and in peace.

John Foster Dulles To Visit Korea and Japan

Statement by Secretary Acheson

[Released to the press June 7]

John Foster Dulles will depart by plane on June 14 for Japan and Korea, in accordance with his recently announced plans to see both countries at first hand. He will be accompanied by John M. Allison, director of the Office of Northeast Asian Affairs, the office in the Department responsible for Japanese and Korean matters. Mrs. Dulles and Miss Doris A. Doyle, Mr. Dulles' secretary, will also be in the party, which expects to be gone about 2 weeks.

Mr. Dulles recently assumed responsibilities in the Department concerning a Japanese peace settlement. His interest in Korea derives from the leading role he played in bringing about United Nations recognition of the Republic of Korea as

the only legal Government in Korea.

United States Interests in Africa

by George C. McGhee, Assistant Secretary for Near Eastern, South Asian, and African Affairs 1

There is no single answer to the problem of formulating an African policy, as there is no single answer to other major problems which confront us today. What then are our objectives in Africa? How can we reconcile the diverse and conflicting influences which demand consideration? How can we, at the same time, establish a position which represents the best interests of the United States and is consistent with the principles which have traditionally motivated our foreign policy?

The Continent of Africa

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The continent of Africa contains almost 180 million people, representing 8 percent of the world's population. It occupies an area of over 11 million square miles, which exceeds the total area of North America by almost 2 million square miles. Throughout this enormous territory, there are only four completely independent states-Egypt, which counts itself primarily as a Near Eastern state; Ethiopia; Liberia; and the Union of South Africa, which is a member of the British Commonwealth. In addition, Southern Rhodesia, which is a self-governing colony within the Commonwealth system, has a high degree of local autonomy. As a result of the recent action of the United Nations, independence will be accorded to Libya by the beginning of 1952, and to Italian Somaliland within 10 years. The small international zone of Tangier has a unique political status, in that it is the only internationally administered area in the world.

All the remaining territorial units of Africa stand in varying degrees of political relationship to the European powers—France, the United Kingdom, Portugal, Spain, and Belgium. Some

of these units form part of the international trusteeship system established under United Nations auspices. Some are classed as colonies; others, as protectorates; some, such as French Equatorial Africa, and French West Africa, are classed as overseas territories. Because of the dependent status of most of the African territories, the United States conducts relations with them in large measure through our diplomatic missions in the European capitals. Certain aspects of our relations are also carried on through consular establishments in many of the territories, which function primarily to safeguard American nationals, American commercial interests, and treaty rights in Africa. In the case of Egypt, Liberia, Ethiopia, and the Union of South Africa, we maintain direct relations through our Embassies in those countries and through their representatives in Washington.

That portion of Africa lying south of the Sahara is itself almost twice the size of the United States. This area—the home of the Negro peoples of Africa—is one of varying climates, soils, and resources. Its 100 million peoples, of diverse ethnic origins, speak more than 700 languages and dialects, and the racial pattern is further diversified by significant numbers of European inhabitants,—more than 4 million throughout the whole of Africa,—almost half a million Asian peoples, and peoples of mixed stock. Among the native population, the literacy rate ranges generally between 5 percent and 20 percent. The economies of these countries, which are primarily dependent on agriculture, forestry, or mining, vary in their stages of advancement, but all of them can be classified as economically underdeveloped.

Political Stability

Before undertaking to outline the general problems of the area, it would be desirable to place it

¹This article is based on an address made before the Foreign Policy Association at Oklahoma City, Oklahoma, on May 8, 1950, the text of which is contained in Department of State press release 469.

in the context of the present world situation. In the light of the many critical problems which confront us today and against the background of the great struggle which is being waged between the Communist nations and those of the free world, this area occupies comparatively little space in the American press or in the consciousness of the American people. One reason for this is the fact that it is a region in which we have few direct responsibilities. Other nations, chiefly those with whom we are associated under the North Atlantic Treaty, are directly responsible for solution of the day-to-day problems of Africa. Another reason is the fact that, although tensions are increasing in several parts of Africa, it is not a crisis area. Emergency measures are not required to deal with the problems of the area.

In these troubled times, it is gratifying to be able to single out a region of 10 million square miles in which no significant inroads have been made by communism, and to be able to characterize the area as relatively stable and secure. Yet, if one carefully distinguishes between efforts in behalf of normal political and economic aspirations and agitation inspired by Communist elements, that is basically the case. It is difficult to judge whether the failure of communism to make progress is due to resistance or disinterest on the part of the African peoples, to the results of constructive efforts by the governments concerned or their effective vigilance toward Communist propaganda and agitation, or whether the Cominform has been so occupied elsewhere that it has not yet devoted its maximum efforts to the penetration and subversion of the African continent. But, no matter what the reason, if this is one area in the world, where—in the broadest sense—no major crisis exists, then it is imperative that advantage be taken of the absence of pressure to plan against the time when such pressure may be applied.

Advantage must be taken of this period of grace to further the development within Africa of healthy political, economic, and social institutions. to create an understanding on the part of the Africans of the forces of communism which are disturbing the peace and security of hundreds of millions of peoples elsewhere in the world, and to inspire a determination to resist these forces. Advantage must be taken of the time at our disposal to remedy, through foresighted and constructive action, conditions which could otherwise make the Africans receptive to the baleful attractions of communism and thus nullify the peaceful and progressive advancement of its peoples. And, even though we do not have direct responsibilities in the case of much of Africa, we Americans cannot neglect Africa simply because it is quiescent in the present world crisis. We must play, in cooperation with others, the part which our position in the world demands that we play.

History of Humanitarian Interests

In assessing American attitudes which affect present and future United States policy toward Africa, it is important to emphasize first, that there is no comparably large area of the world of which the American people are so uninformed. A few Americans will have heard of Timbuctoo and the "Great Gray Green Greasy Limpopo River"; and others will have gone on hunting expeditions to Africa or read about those who did; American missionaries have traveled widely in the area. But the limited volume of press and radio comment and the almost complete lack of popular opinion polls on Africa, attest to a remarkable lack of public interest in African developments. Moreover, although we have a few outstanding scholars and professors in various fields of African studies, there is no comprehensive program of African area studies in any American university. The continent is almost never mentioned in resolutions of private organizations, with the exception of Negro associations. There is no journal in America devoted to Africa.

Thus, it would seem essential that efforts be made, both by our Government and by American private interests, teaching institutions, and foundations, to inform American opinion on the implications for us of the international aspects of Africa's changing relationships so that it can aid in the formulation and support of American policy regarding them. In these efforts, private organizations can give an important service.

But, despite our relative lack of knowledge of Africa, there are, nevertheless, certain basic attitudes on the part of the American people which have affected and will continue to affect formulation of our African interests and policies. One of these attitudes is certainly the general humanitarian interest of the American people in assisting underprivileged peoples everywhere to raise their living and educational standards. Another is our great faith in the application of technology as a means of achieving basic progress. Both of these attitudes have recently found official expression in the formulation of the President's Point 4 Program, which raises to the level of a national policy the traditional efforts of the American people to share their benefits and skills with less fortunate peoples.

Another basic attitude in the United States is the general background of sympathy toward aspirations for self-government and independence, although with the keen appreciation in responsible circles that the rate of progress toward the realization of these aspirations will vary widely in different parts of the world. Finally, despite our humanitarian interests and our desire to be of assistance to underprivileged peoples, the present scope of our world commitments is creating a growing desire on the part of the American people

to assume as few additional world responsibilities as possible.

African Attitudes

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A second factor affecting formulation of American policy is the attitude of the African peoples toward the United States. This attitude, like our own, is not clear-cut. In the first place, it, too, is based on inadequate knowledge of us, as well as a considerable degree of apathy or ignorance concerning American foreign policy in general. The Africans are, of course, deeply interested in our policy toward dependent areas, which has gained for us a considerable reservoir of good will. This is offset to some extent, however, by a natural suspicion on their part. Racial discrimination in the United States has produced unfortunate reactions on the part of many educated Africans. In addition, our ECA program is an important object of suspicion, since there is some tendency to regard this program, as it applies to the overseas territories of the European powers, as a device to strengthen or perpetuate the hold of the European powers over the African territories.

Europe and Africa

Third, an important factor affecting the nature and direction of our African policy is the attitude of the European powers themselves toward us, which is at the same time friendly, critical, and suspicious. By virtue of the European Recovery Program and the Mutual Defense Assistance Program, the Western European powers, which are also the leading metropolitan powers in Africa, have a closer and more intimate relation with us than at any time in history. This is a reciprocal relation for defense and for economic recovery which none of these powers wishes to disturb. Moreover, with specific relation to Africa, they welcome ECA assistance which enables them to build mutually advantageous economic relations with their African dependencies.

On the other hand, these powers are fearful of what they regard as an apparent American tendency to give indiscriminate and uncritical support to movements toward self-government or independence without adequate consideration of the experience and resources of the peoples concerned. The administering powers are fearful lest too much encouragement to peoples who are politi-cally immature and whose economies are still primitive, will result in political and economic chaos. Such a development, they believe, would be of grave disservice to the peoples for whose welfare they are responsible and would give rise to a situation which would play directly into the hands of the Communists. The European powers are convinced that the rate of political advancement for their dependent peoples must be carefully geared to the tempo of progress in economic, social, and educational institutions. They feel

that they understand the situation better than we, and they are, in many cases, proud of the progress which has been made.

Role of United Nations

Finally, we must be guided by our participation in the United Nations and our commitments under its Charter affecting our interests in Africa. The United Nations, in establishing its system for the administration of trust territories, which is an improved version of the old League of Nations mandate system, set forth certain obligations under which the administering powers undertake generally to promote the political, economic, social, and educational advancement of the peoples concerned, and their progressive development toward self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples. In addition, chapter XI of the Charter of the United Nations gives expression to the interest of the world community in the welfare and development of the vast numbers of non-self-governing peoples

who do not live in trust territories.

Within the United Nations, sharp differences of opinion have developed between the noncolonial powers and the administering powers with regard to the meaning of these provisions of the Charter and the proper scope of United Nations activities in relation to colonial areas. The noncolonial powers, in general, are seeking to extend the activi-ties of the United Nations, while the metropolitan powers maintain a more conservative position. We stand in a very special relation to this struggle. We are ourselves an administering power, by virtue of our responsibility for one trust territorythe Pacific islands formerly under Japanese mandate—and we transmit to the United Nations information on six non-self-governing territories which are not under trusteeship. At the same time, it has been our traditional policy, frequently expressed and actively implemented, to assist as we are able in the economic, social, and educational advancement of dependent peoples along the road to eventual self-government or independence. We realize, however, that the evolution of dependent peoples toward political maturity must of necessity be an orderly process if it is to succeed.

Long-Range Interests

We must keep in mind the fact that we are not in position to exercise direct responsibility with respect to Africa. We have no desire to assume the responsibilities borne by other powers and, indeed, our principles, our existing commitments, and our lack of experience all militate against our assumption of such obligations. Against this background, and in terms of the long-range interests of the United States in the establishment of a stable world order and in the well-being of the

African peoples, what are the objectives of Ameri-

can policy?

First, it is one of our major objectives to see that the peoples of Africa, in their own interests, advance in the right direction and in accordance with the principles of the United Nations Charter. We favor the progressive development of the dependent peoples of Africa toward the goal of self-government or, where conditions are suitable, toward independence. The attainment of this objective, in which we can play only a cooperative role with the administering powers, imposes upon all concerned a heavy burden of self-discipline and the need to undertake voluntary long-term planning

of the highest order.

A second major objective, which arises out of our relations both with the metropolitan powers and with the peoples of Africa, is our desire to assure the development of mutually advantageous economic relations between them, in the interests of contributing to restoration of a sound European economy and in the interests of furthering the aspirations of the African peoples. On the one hand, the contribution of Africa to the economy of Europe is a significant one. Its importance can be gauged by the fact that the volume of Africa's exports to Western Europe in 1948 totaled about 2.5 billion dollars, or approximately half as much as the United States itself exported to Europe. Thus, from the point of view of narrowing the trade gap in Western Europe, a relatively small increase in Africa's production will go far toward improving the present dollar deficit position of the Western European countries. On the other hand, the problem is to expand production in those materials in which Europe and the Western Hemisphere are deficient in such a way as to promote the betterment of the African peoples.

Third, the United States wishes to preserve its rights of equal economic treatment in the territories of Africa and to participate itself, both commercially and financially, in the development of this great continent along with other nations of the world. Last year we exported to Africa products to a value of 616 million dollars, and imported products worth about 338 million dollars. American investments in the continent are estimated to be at least 250 million dollars, and there is a growing interest in Africa among American investors. The import of African vegetable products is closely related to our everyday needs, in such fundamental commodities as soap, twine, chocolate, and spices. In addition, we must continue to have access to Africa's vital reservoir of minerals which are critical stockpile items in the United States-manganese, chrome ore, rubber, industrial diamonds essential to our machine tool industry, asbestos, and many other important

minerals.

Finally, it is a major objective of United States policy to assist in providing an environment in which the African peoples will feel that their aspirations can best be served by continued association and cooperation with the nations of the free world, both in their present status and as they advance toward self-government or independence in accordance with the United Nations Charter. As long as the African peoples feel that their aspirations can best be achieved by this association with the free world, we believe that they will not be lured by the enticements which the Communists may offer them now or in the future. We know only too well, and we must see that they understand, that communism does not offer them the goal to which they aspire, but utter and complete slavery many times more onerous than any restrictions they have ever known.

Development Programs

We have a number of instrumentalities through which these objectives can be promoted. We have, first, regular program funds available through ECA to assist the African dependencies, strategic materials funds, technical assistance funds, and a special overseas development fund established under ECA. While assistance extended to the overseas territories through these means is designed to strengthen the economies of the countries participating, the interests of the African peoples themselves are given first consideration. Moreover, as the overseas territories themselves participate in an expanding world economy through increased production and trade, the standard of living of their peoples will be raised and their

welfare will be advanced.

In accordance with the diverse nature of the ECA funds available, our activities under ECA in Africa have been diversified in character. Thus, for example, France has undertaken largescale imports to Africa of machinery and mining equipment for development purposes, which are procured through the regular program funds. We have participated in the development of strategic materials by conducting a geological and topographical survey in British Africa and by aiding in the expansion of cobalt production in Northern Rhodesia and of kyanite in Kenya Colony. ECA is undertaking technical assistance activities, such as a preliminary railroad survey in East Africa; an agricultural reconnaissance in British Africa; and assistance in research related to control of malaria and sleeping sickness in Nigeria and East Africa, diseases which have been major factors impeding development of potentially productive mineral and agricultural lands.

A second tool through which to achieve our objectives is our information and educational exchange program, which will in time overcome those difficulties which have faced us in our relations with Africa, such as the need to enhance mutual understanding between ourselves and the African peoples, and the need to dispel any doubts and suspicions concerning our motives which may exist on the part of the administering authorities.

A third means is the proposed Point 4 Program of technical assistance, a program which will place primary emphasis on the problems of the underdeveloped areas themselves—both in the independent states and the dependent areas—and will seek to contribute to their wholesome and orderly development. In the dependent areas, Point 4 programs will serve to supplement ECA activities in fields which condition economic development, that is, in health, education, and training programs.

These are the tangible instruments through which we are working or intend to work. But there are still other means through which we can further our aims. One such important asset is our friendly relations with the independent governments of Africa, who look to us for assistance and advice in meeting their problems. In Liberia, for example, a republic originally established with the assistance of American philanthropic interests and the United States Congress, the Government looks to us for assistance in many aspects of its economic and social development. In response to its requests, we have sent a United States public health mission to Liberia, and an economic mission, which has surveyed the whole economy of the country and is assisting in the development of agriculture, transportation, and related programs.

Another factor is the relationship of mutual friendship and mutual confidence which exists between the United States and the European powers, a relationship which provides a channel through which to carry on a full and frank exchange of views on African problems and to assure ourselves that developments in the dependencies are moving in the direction which we desire. On the technical side, for example, we are in close consultation with the Overseas Technical Committee of the Organization for European Economic Cooperation—the organization of states participating in the Err-whom we are urging to undertake a survey of transportation facilities in the area south of the Sahara as a means of providing a framework for future development in

the individual territories.

In addition, the United States, through its participation in the many organs and specialized agencies of the United Nations, has still another means of promoting objectives and of furthering the political, economic, social, and educational advancement of the peoples of Africa. The exchange of ideas on administration among the various administering states and the contribution of ideas by those nonadministering members who have experienced common problems in their own countries, can be a most fruitful development of the international trusteeship system and of chapter XI of the United Nations Charter. The United Nations represents the international conscience with respect to such territories—the final guaranty that their progressive advancement can and will be realized.

Finally, through all these diverse means, we will seek to encourage the maximum tolerance and respect for the human rights and dignity of the African peoples, to the end that there can be developed the most harmonious pattern of coexistence possible between the white residents of Africa and the indigenous peoples of the continent. Through all these diverse means, we propose to work, in close cooperation with the European powers and with the peoples of Africa themselves, to create a conviction on the part of the African peoples—through tangible progress—that their individual and national aspirations can best be achieved through continued association with the United Nations and free nations.

Senate and House Committee Continue Study of Foreign Policy Questions

Statement by the President

[Released to the press by the White House May 4]

I asked Judge Kee and Secretary Acheson to meet with me this morning in order that I might canvass in a general way the over-all situation on foreign policy legislation and at the same time express to Chairman Kee my appreciation for the arduous effort that he and the House Foreign Affairs Committee have been putting forth since the beginning of the session in considering the multitude of foreign policy measures that require the Committee's attention.

The Foreign Affairs Committee has been in almost continuous session since the first of the year and present indications are that there will be no respite from their toil for several more weeks. I thought it appropriate that I let Judge Kee know I am both cognizant and appreciative of the burden that he and his Committee are

bearing.

Statement by Acting Secretary Webb

[Released to the press May 19]

The consultation subcommittees of the Foreign Relations Committee, set up by Senator Connally, have begun to function. Thus far, there have been four meetings between Departmental officers and the subcommittees: One with the Subcommittee on Public Affairs, one with the Subcommittee on American Republics Affairs, one with the Subcommittee on European Affairs, and one with the Subcommittee on Far Eastern Affairs. In the Department's opinion, these meetings have been very successful, and it is hoped that meetings will be held with all the subcommittees within the very near future. The Department is ready to meet at the convenience of the subcommittees.

The Oil Import Situation

by Willard L. Thorp
Assistant Secretary for Economic Affairs 1

In the extensive discussion of the oil import situation which has taken place during the last year and a half, there seems to be agreement on at least one point—that is on the need for a strong and healthy domestic petroleum industry. It is also true that we must have sound coal and transportation industries. One other point on which those who have studied the problem would probably agree is that it is an exceedingly complex one involving many important American interests, some of which are clearly in conflict with others.

I doubt that any department of the Government is more conscious than we are in the Department of State of the need, in these critical times, for a strong and vigorous economy in the United States. To a very large degree, the influence and success of the United States in international affairs depends on the economic well-being of the United States. This is, of course, a matter of our general economic health which in turn depends upon the health of our various industries.

It is charged by some that oil imports have seriously injured important domestic industries. In discussing this subject, I should like to set out briefly for you three series of facts. The first series deals with various aspects of the oil industry. It indicates that the domestic oil industry operated at a very high level of activity in 1949 and that present prospects are for the industry to operate at even higher levels in 1950, notwithstanding an increase in imports.

The second series of facts concerns the domestic coal industry. It indicates that whatever the problems of that industry, and it appears that the industry has very real problems, oil imports have not been primarily responsible for its difficulties.

And, finally, I should like to point out briefly

some of the other important factors involved in any proposals to limit oil imports. The factors which I shall mention deserve serious consideration by those who are concerned not only with the problem of oil imports, but also with the national interest in its fullest sense.

Effects on the Oil Industry

In studying the effects of oil imports on the oil industry, one is immediately impressed by the fact that the domestic oil industry's recent operations are among the best in its history. 1949 was second only to 1948. And, it appears that 1950 will be a better year than 1949.

will be a better year than 1949.

Production in 1949 was 50 percent higher than in 1935–39. It was only slightly below the 1947 output, 8.4 percent below the 1948 level, and 11.3 percent below the record level attained in December 1948. Whereas, production was reduced steadily from January to July 1949, largely as a

steadily from January to July 1949, largely as a result of curtailment in Texas by the Texas Railroad Commission, production has been rising steadily in recent months. The Texas Railroad Commission increased allowables 130,000 barrels daily in April, 58,000 barrels daily in May, and 140,500 barrels daily for June. The June allowable is nearly 500,000 barrels a day higher than the low point at which allowables were set in July last year. After announcement of the June increase, it was indicated that further increases in July and August seem in prospect, which, if they materialize, will bring Texas allowables to within 8 percent of their highest period. It thus appears that production in 1950 is almost certain to be higher for the year than production in 1949.

The demand and stock position in 1950 give further support to the prospects for an increase in production in 1950 compared to 1949.

Due to the mild winter months and the midyear recession, demand in 1949 was slightly below the previous year, whereas an annual increase of 5 to 6 percent is normal. In the first quarter of

¹Statement made before the Subcommittee on Unemployment of the Senate Committee on Labor and Public Welfare on June 6, 1950.

For other material on the international petroleum policy, see Bulletin of Apr. 24, 1950, p. 640.

1950, demand, according to the Bureau of Mines, was nearly 9 percent higher than in the first quarter of 1949. And the Independent Petroleum Association of America (IPAA) recently forecast an increase in demand for the year of nearly 6

percent over 1949.

The record production in 1948 was achieved with the addition of nearly 300,000 barrels daily to stocks of crude oil and products. In 1949, there was a small decline in stocks. And for the first 4 months of 1950, statistics of the Bureau of Mines and the American Petroleum Institute show that stocks of crude oil and principal products have declined nearly 60 million barrels. Thus, whereas there were steady and substantial increases in crude stocks from July 1948 to June 1949, there has been a steady decline in stocks most of the time since, indicating a rate of consumption in excess of production.

DRILLING ACTIVITIES

In regard to drilling activity and especially exploratory drilling, where unfavorable developments affecting the industry's prospects would become evident at an early stage, it is relevant to note that more wildcats and greater footage were drilled in 1949 than in any year in our history. Wildcat wells increased 6 percent and total footage slightly when compared with the previous record in 1948. Total well completions were only 2 percent less than in 1948. So far this year, more wells of all kinds have been drilled than during the same period of 1949, and the high rate of drilling as continuing.

The price of crude oil was higher in 1949 than in any year since 1875, except for 1920 and 1948. It was 140 percent higher than the 1935–39 average, 30 percent higher than in 1947, and was only 2 percent less than the 1948 price. As a result, the value of production in 1949 was exceeded only by the 1948 values. Crude oil prices are currently

firm at slightly below the 1949 average.

Employment in 1949, in the crude oil and natural gas production industry, was about the same as in 1948. If employment of drillers, rig builders, and some white collar workers is also considered, the picture remains the same, with average employment in 1949 equal to average employment in 1948. In the case of both categories of workers connected with crude oil production, there was a downward trend in employment in the latter part of 1949 despite increases in production at that time and a high level of drilling activity. By March 1950, employment of production workers, including drillers, was about 3 percent below last year's average and about 5 percent below the peak level attained in August 1948. Employment in March 1950 was about the same as in March 1948.

This brief review would not be complete without special reference to the situation in Texas, where most of the curtailment of production has taken place. But, the curtailment in Texas was not typical. Some states set new production records in 1949. And, for all other states combined, production was only one percent below the highest levels in history. By comparison, production in Texas was down 17 percent from 1948 levels. Texas alone accounted for 90 percent of the decline of 465,000 barrels for the United States as a whole. These facts give further evidence, I believe, that oil imports were not, and are not, solely responsible for the severity of the curtailment in Texas.

Despite the fact that production in Texas was down from 1948, drilling in 1949 was at the highest level since 1937 and substantially above 1948. Employment was higher than in 1948, though declining slightly in the latter part of the year. In the first quarter of 1950, employment was off about 3 percent from last year's monthly peak and less than one percent from last year's average. Prices for Texas oil were practically unchanged in

1949.

Finally, to put the increase in imports in 1949 in proper perspective, it might be noted that while production declined 465,000 barrels daily in 1949 from 1948 levels, imports increased only 125,000 barrels daily from 1948 levels. Decline in stock additions, a decline in exports, and the failure of demand to increase were the factors mainly responsible for the declining production rather than the increase in imports. Imports in the first quarter of 1950 were 831,000 barrels daily, about 326,000 of which was residual fuel oil. In view of this record and the statements of principal importers at a recent meeting in Texas, it now appears that imports for the year will amount to about 810,000 barrels daily. Nonetheless, domestic production is expected to continue to increase as previously noted with the major gains taking place in Texas.

It does not seem possible to draw from the foregoing record of almost unparalleled well-being for the petroleum industry as a whole a conclusion that the industry has been seriously injured by imports to date or is likely to be so injured by those in prospect for the rest of the

year.

In concluding discussion of the well-being of the domestic industry, an interesting statement made by Gov. Roy J. Turner, Governor of Oklahoma and Chairman of the Interstate Oil Compact Commission, might be noted. In reporting to the spring meeting of the Commission, May 4-6, Governor Turner said:

The oil industry today is in one of the healthiest conditions that it has enjoyed for many years.

Effects on the Coal Industry

You have heard testimony in the course of your hearing to the effect that imports of oil have been responsible for much of the recent market loss and unemployment in the coal industry. Production and consumption of coal have declined, and the

employment problem in the industry undoubtedly is serious. However, the facts show that no gains in residual oil use even closely approximating the loss of coal markets have been made as a result of

imports of oil.

Coal has lost ground to oil and natural gas for over 30 years. At the close of World War I, coal supplied 78 percent of the energy consumed in this country. By 1949, the amount supplied by coal had dropped to 39 percent of the total. During the same period, oil and natural gas have gained practically all of the relative position lost by coal. What has been happening to coal, in the past few years in relation to oil and gas, appears far more to be a continuation of the long-term change which has been taking place in the relative positions of the two domestic industries rather than to be attributable to any new factor such as an increase in oil imports.

In considering the effect of oil imports on the coal industry, a sharp and clear distinction must be drawn between crude oil, which accounts for 60 to 65 percent of our imports and residual fuel

oil, which accounts for most of the rest.

Crude oil as such, whether domestic or imported, does not compete directly with coal. It is not burned to produce either heat or energy. It is run through refineries to produce products whose value is greater than that of the crude itself. The most valuable products, gasoline, lubricating oils, and certain specialty products are for technical reasons virtually noncompetitive with coal. Other products, kerosene, home-heating oil, and diesel oil because of ease of handling, cleanliness, or greater efficiency, seem to have won consumer preference. A refiner would soon go bankrupt who ran his refinery to produce residual fuel oil and other products of lesser value than the price of his raw material. This factor has been responsible for continuing efforts of domestic refiners to reduce the yield of residual fuel oil as much as possible and for imports to augment domestic supplies in the eastern United States.

So far as imports are concerned, it is only residual fuel oil imported as such and perhaps an additional 5 percent of the crude oil imported, representing the difference in residual yield yield between domestic and imported crude, which could have any bearing on the coal situation. Even this limitation overstates the extent of re-

cent competition for the coal industry.

IMPORT AND CONSUMPTION OF RESIDUAL FUEL OIL

Imports of residual fuel oil are not a new factor in the oil-coal competitive situation, as the following figures on residual fuel oil imports show.

Year:	Barrels	
1946	47, 500, 000	
1947	58, 000, 000	
1948	56, 000, 000	
1949	77, 000, 000	

During the period from 1947 to 1949, the total domestic consumption of residual fuel declined as follows:

Year:	Barrels	
1947	519,000,000	
1948	501, 000, 000	
1949	495, 000, 000	

It is difficult to understand in these circumstances how imported oil could be held mainly responsible for a decline in production of bituminous coal which amounted to 165 million tons from 1948 to 1949. A comparison of consumption of bituminous coal and residual fuel oil by various principal users raises the question even more sharply for there is no evident connection between the sharp drops in coal consumption and the changes in residual fuel oil consumption.

In 1949, the total decline from 1948 levels in domestic consumption of bituminous coal was 74 million tons according to Bureau of Mines' sta-This loss was accounted for by a loss of 27 million tons in use by railroads, a decline of 33 million tons in various industrial uses, which probably understates the loss in this category, and a decline of about 14 million tons in electric power Against the coal loss of 27 million tons on the railroads not only was there no gain in the use of residual fuel oil but also the use of such oil declined 27 million barrels. Both coal and residual fuel oil apparently lost ground to domestic diesel oil. Against the decline of 33 million tons in certain industrial uses of coal, the increase in use of oil, about 6 million barrels, was equivalent to about 1.5 million tons of coal, a small amount relative to the apparent 33 million ton coal loss.

Again, the principal reasons for the decline in coal consumption appear to be lower industrial activity and increasing use of natural gas and domestic diesel oil rather than substantial in-

creases in the use of heavy fuel oil.

Where there was a decline of 14 million tons in the use of coal by electric power plants, the increased use of heavy fuel oil, about 23.5 million barrels, was equivalent to about 6 million tons of coal. Ten million tons of the coal loss and the total net oil gain was in the New England, Middle Atlantic, and South Atlantic States. The competition, accordingly, falls principally on the Eastern coal districts. Six million tons of coal is equivalent to about 1 percent of the total production of bituminous coal in 1949 and about 2 percent of the production in the Eastern districts in that year.

In other words, the total loss of coal tonnage to heavy fuel oil in 1949 was not large in terms of coal output, being confined principally to a 6 million-ton loss in Eastern electric power utilities and to a loss of 1.5 million tons in industrial use. What the situation will be in 1950 is difficult to judge. In the first quarter imports of, and demand for, residual fuel oil were about 15 million

barrels higher than in the first quarter of 1949. Demand for the year was estimated on May 8 by the IPAA as likely to be about 4.2 percent higher in 1950 than in 1949. If a gain of the latter amount in the use of residual fuel oil were entirely at the expense of coal, rather than because of increased industrial activity or other factors which are accounting for some of the increase in oil use, the total coal loss would be an additional 5 million tons.

The facts regarding total residual fuel oil supply and use in comparison to loss of coal markets do not support the charge that imports were mainly to blame for the marked decline in production and use of bituminous coal in 1949. Nor does this conclusion seem likely to be affected by developments in 1950 when residual use is expected to increase as indicated above.

CHARGES OF "DUMPING"

In testimony before your Committee and in other public statements spokesmen for the coal industry have charged that foreign oil is being "dumped" in this country and is taking away the

markets of the coal industry.

If the term is used to indicate that fuel oil prices are abnormally low, the facts regarding fuel oil prices are relevant. The average price of residual fuel oil in 1949 was exceeded in the past 20 years only by the average prices in 1947 and 1948. In those 2 years, the general fuel shortage was responsible for the abnormally high levels then attained by fuel oil prices. When the demand eased and supplies again became normal, fuel oil prices declined. Coal prices did not. Even at the low point of last summer, the price of heavy fuel oil, as indicated by the wholesale price series of the Independent Petroleum Association of America, was 60 percent higher than the 1935-39 average. Prices have risen since last July in the face of a strong demand which not only absorbed the increased imports but led to substantial reductions in domestic stocks as well. In April 1950, the most recent month for which the IPAA price series is available, residual fuel oil prices were 113 percent above the 1935-39 average. This is hardly a demonstration of dumping.

If, however, those making such charges are using the term "dumping" in its technical sense of sales at lower than a fair value, they can have the alleged dumping investigated under the Anti-Dumping Act of 1921. If the charges are substantiated, they can obtain a remedy, for such

imports are prohibited by that act.

Effects of Restrictions on Other American Interests

If imports of oil were reduced substantially, whether by imposing a quota, a high import tax, or by balancing imports and exports, the effects would be the same. The action would seriously and adversely affect certain American interests, commercial, strategic, and political. In the absence of serious injury to the domestic oil and coal industry, the disadvantages seem to outweigh the benefits in terms of the over-all national interest.

The commercial disadvantages would arise in three principal instances. The first is in regard to those American commodity exports which depend to a substantial degree on the dollar income of oilproducing countries. The most important such case is Venezuela. Ninety percent of Venezuela's foreign exchange, chiefly dollars, is derived from oil operations. Forty percent of Venezuela's oil production is exported directly or indirectly to the United States. Substantial reduction of imports of oil from Venezuela would, through the effect of Venezuela's dollar income from royalties, taxes, and wage payments, result in a reduction in exports from the United States. Venezuela is our fourth largest export market, and the second largest on a cash basis. Our exports to Venezuela were valued at over 500 million dollars in both 1948 and 1949, which, in both years, was considerably in excess of our imports of all products from Venezuela, including oil. Our exports represented a substantial amount of industrial and agricultural employment in a number of states, for the list of what we sell to Venezuela is extensive. Any barrier which we might raise against imports from Venezuela would serve to reduce American employment and the income of American firms currently engaged in the export trade with Venezuela.

There is also a domestic consumer interest in the oil import question. Restriction of fuel oil imports would mean higher prices for fuel oil and increased costs both for industries that cannot convert to other fuels, such as the shipping industry, as well as for those who can convert but would be able to do so only at higher than present oil prices. The Export Trade and Shipper of May 1, 1950,

stated the point well:

Fuel is one of the basic elements in the cost of living. . . . Its cost directly influences the delivered price of practically everything that everyone consumes

Any barrier to oil imports would also affect American foreign oil interests, for most of our imports come from American companies or their subsidiaries. The principal restrictions which have been suggested would be far more burdensome than barriers which foreign nations have raised against our oil companies. An action limiting their oil shipments to the United States would adversely affect their American employees and suppliers of American equipment for their foreign operations. It would weaken the American position in oil operations abroad, in control of foreign reserves and facilities. The United States, its Allies, and friendly nations drew large supplies from our overseas oil output in the last emergency. If there should be another war there is no possibility of supplying our petroleum needs, according to military authorities, without recourse to production

elsewhere in the Western Hemisphere.

Not only do we have a strategic need for oil sources in the Western Hemisphere but also we have a strategic interest in the political stability of the Middle East. Political stability in that area, as in many countries, is to a large extent dependent on economic well-being. In certain Middle East areas, economic well-being depends mainly on the level of oil operations in which American companies have an extensive interest.

An important consideration also is that we cannot, in circumstances where there is no serious injury traceable to oil imports, restrict them as some have proposed without violating our international commitments, specifically the trade agreements with Venezuela and Mexico and the General Agreement on Tariffs and Trade. We have spent many years and much effort in furthering a program for the improvement of international economic relations. We have, with due regard for security and for exchange and other problems, sought to free international trade from all possible restrictions. This program has continuously had the approval of Congress. We as the world's greatest trading nation have the most to lose if we fail in this effort. Imposition of the proposed restrictions on oil imports under prevailing circumstances would set an undesirable precedent here and abroad. It would seriously affect our program to expand international trade and could undo much that already has been achieved.

The question of whether restrictions should be placed on oil imports is not a simple one of protecting certain private American interests from foreign interests or from other private American interests. It is a matter involving broad questions of national policy, and the decision should be the one which will best serve the national interest. The facts seem to indicate that the domestic oil and coal industries have not been seriously injured by oil imports to date and that they are not threatened with serious injury by those in prospect in the near future. In the circumstances, the proposed restrictions appear unnecessary and inadvisable.

Speculative Swings in Rubber Prices Cause Serious Concern

[Released to the press June 9]

The United States Government has directed the attention of countries interested in the production and marketing of natural rubber to the serious implications of recent movements in the price of that commodity. These countries have been told that the United States believes that wide specula-

tive swings in the price of a major raw material perform a disservice to producer and consumer.

The New York spot price for the grade of natural rubber known as Ribbed Smoked Sheet (RSS) No. 1 averaged 17.56 cents in 1949. By June 1, it had reached 34 cents. This trend is such as to create anxiety as to the future well-being of natural rubber-producing areas. It could lead to a decreased demand for natural rubber and to higher prices for rubber products. Tire prices have recently been increased by some manufacturers.

The latest available statistics indicate that present prices may reflect merely a temporary scarcity of spot rubber because of a number of market factors and that the upward price movement may be arrested by increased marketings of natural rubber. April exports from Indonesia were nearly three times January exports. The international Rubber Study Group has predicted a 1950 production of natural rubber 140,000 long tons in excess of consumption. In addition, the United States Government has been taking steps to increase its production of synthetic rubber, and it is expected that, by July, the production of general purpose synthetic rubber (GR-S) will have reached a rate of 35,000 long tons per month, as contrasted with 19,000 in January. If these forecasts are correct, recent natural rubber prices are a temporary phenomenon.

On May 4, the United States delegate, Willis C. Armstrong, associate chief, Economic Resources and Security Staff, Department of State, included the following remarks in his statement to the seventh meeting of the Rubber Study Group at

Brussels:

All members of the Rubber Study Group are interested in expanding the consumption of rubber. We in the United States are as anxious as anyone to expand this consumption and, through mass-production techniques, to bring to our own and other markets an ever-increasing quantity and variety of high-quality products at reasonable prices. . . Our industry has done a great deal to promote consumption along these lines. Under these circumstances we cannot . . be indifferent to trends in natural rubber prices. As purchasers of natural rubber we wish to avoid wide speculative swings in the price of this major raw material. As major producers of synthetic rubber, we can scarcely ignore price movements of a competitive product. We also have a genuine and profound interest, as a Government and a people, in the welfare and economic well-being of both producing and consuming nations . . .

For these reasons we are disturbed whenever prices of commodities vital to wide areas of the world appear to be following trends that can lead, sooner or later, to a decline in effective demand for the commodity. Thus, for example, a sharp upward trend in natural rubber prices (which some authorities appear to consider a current phenomenon), if continued, might well lead to a general impairment of the long-term earning power of producing areas and might, simultaneously, hamper the efforts of the manufacturing industry in consuming countries throughout the world to expand the market for their products. We have thought it appropriate to call attention to these fundamental considerations which we regard as generally self-evident and applicable to all

countries.

The Need for an International Trade Organization

Statement by Howard H. Foley Under Secretary of the Treasury¹

Mr. Chairman and Members of the Committee: I appreciate your invitation to appear before the Committee to discuss House Joint Resolution 236, authorizing United States acceptance of membership in the International Trade Organization (Ito).

There is very little on the general considerations involved in the charter that I can add to the forceful message which the President sent to the Congress when he transmitted the charter last year; or to his observations on the subject in his State of the Union message last January; or to Secretary Acheson's statement.² And, before I proceed, let me state that I claim no expert familiarity with the detailed technical aspects of the Iro charter. Therefore, I shall confine myself primarily to the general policy issues involved in the bill as they affect the activities of the Treasury Department and the National Advisory Council on International Monetary and Financial Problems.

Striving for Orderly Economic Relations

I regard the establishment of the International Trade Organization as an important step in an over-all program designed to bring about sensible and orderly relationships in the world economic structure. A healthy world economy requires an increase in the level of productivity to create new wealth and, at the same time, assurance that the fruits of this increased productivity will be readily interchangeable in the world markets for the mutual benefit of all. On the trade side, the world must adopt practices which enable goods to move readily, so that countries can sell what they produce to buy what they need. On the financial side, we require an environment of confidence re-

garding the eventual payment for goods sold and the value of such payments when received.

The commercial and financial policies necessary for such a healthy world economy are not only closely interrelated; they are in fact completely interdependent, because international action on the financial front must be closely coordinated with similar action on the commercial front if it is to attain maximum effectiveness on a world scale. In the Bretton Woods Agreements Act of 1945, the Congress expressly recognized this interrelationship by declaring it to be the policy of the United States to seek further international agreement looking toward the liberalization and expansion of world trade. The Ito charter is designed to provide the necessary machinery, on the commercial side, for international cooperation in striving toward such a healthy world economy.

This desired goal of commercial relationship cannot, of course, be realized if countries continue to pursue the short-sighted policies so frequently underlying trade embargoes, tariff barriers, quotas, exchange controls, preferences, discriminations, and other restrictive devices. Although such devices appear to afford quick solutions to the immediate problems of today, they multiply the problems of tomorrow. The only possible outcome of resort to such measures is retaliation in kind, direct and indirect, which not only stifles world trade but so seriously interferes with necessary international financial movements as to create widespread instability. In the absence of a set of rules governing international trade, such as are embodied in the Iro charter, there is virtually no limit to the restrictionism that nations can practice.

The charter has the dual purpose of dealing as realistically as it can with the problems of today, while at the same time building toward the requirements of a better tomorrow. All of us are aware of the severe balance-of-payments problems of the present. These difficulties have led most

¹ Made before the House Committee on Foreign Affairs on Apr. 21, 1950.

² Bulletin of May 8, 1949, p. 601; Jan. 16, 1950, p. 75; and May 1, 1950, p. 689.

countries to adopt restrictive trade measures in the hope of achieving a balance between demand for and availability of foreign exchange. The charter realistically recognizes the nature of those difficulties and provides a mechanism for dealing with them, but it also sets up procedures that will control the use of the emergency measures; and establishes long-range standards to limit restrictive measures to financial conditions with a view to the attainment of genuine multilateral trade as the foundation of international commercial relations.

In brief, the charter, through international agreement, will establish a basic structure of rules for trade relations among the members of the

organization.

In this connection, it is considered that the charter will supersede the trade provisions contained in section 9 of the Anglo-American financial agreement. After the charter has come into effect, with the United States and the United Kingdom as members pursuant to the authorization of the Congress and the Parliament of the United Kingdom, future trade relations involving our countries will be governed by the provisions of the charter.

Balance-of-Payments Feature

A somewhat more detailed consideration of the provisions of the charter which are of particular interest to the Treasury brings us to articles 21, 23, and 24. These balance-of-payments articles, constitute a recognition that, with most of the world practicing import controls, discrimination, and bilateral trading, we cannot hope for immediate unqualified transition to world multilateral trade. The charter aims to remove the trade barriers based upon financial stringency as swiftly as the financial difficulties themselves disappear. By facilitating the process of freeing trade from artificial barriers, the Iro will play its part in quickening the financial recovery which must go hand in hand with the establishment of true multilateral trade. These provisions of the charter constitute a realistic approach to the conditions likely to prevail in the near future and provide a constructive mechanism for bridging the gap between disorganization in world economic affairs and the reestablishment of those sounder and more stable conditions which are our constant goal.

The charter recognizes that the balance of payments of each member country is of concern to other members and that each country is responsible for safeguarding its external financial position and achieving and maintaining equilibrium in its balance of payments, by methods which, wherever possible, expand international trade. These balance-of-payments articles do, however, permit countries which are in balance-of-payments trouble to use quantitative restrictions on imports as a means of temporarily relieving their financial difficulties and, under certain circumstances, to

discriminate in the application of such restrictions as a further temporary relief from their financial problems. Thus, they constitute an important exception to the general rule forbidding the use of quantitative restrictions or resort to discrimination.

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In view of the unbalanced state of international payments today, it is likely that most prospective ITO members will maintain extensive quantitative restrictions and, indeed, discriminatory ones, under these articles, in the next few years. However, the provisions are designed to limit their scope even in times of financial stringency and to exclude their widespread use under more normal conditions, by imposing various safeguards and limitations.

For example, the test which a country must meet in order to be permitted to use quantitative restrictions for balance-of-payments reasons is designed to limit the use of these restrictions to real cases of disequilibrium in the country's international accounts. The charter permits retention of the restrictions only to the extent justified, and so long as can be justified, to meet the financial problem. The International Monetary Fund is made the judge of the basic facts and of the conclusions which follow from them regarding the

country's financial situation.

Again, the opportunity for any significant discrimination in applying import restrictions is available only for a transitional period. As a long-range matter, discrimination may be practiced by a member only under certain limitations, and for (I quote) "a small part of its external trade," "temporarily," and "where the benefits to the Member or Members concerned substantially outweigh any injury which may result to the trade of other Members." Moreover, such dis-crimination may be resorted to only with the prior consent of the International Trade Organization. Beyond this narrow, carefully circumscribed opportunity for discrimination, a particular country may discriminate only so long as that country is operating under its transitional period as provided in the articles of agreement of the International Monetary Fund. Countries which have not left the transitional period by March 1952 are required to justify their continuation in this status annually thereafter. As each country leaves the transitional period, its opportunity to discriminate under one or the other of the two options contained in the charter ceases. The experts who are to testify later will, I am sure, be able to supply all the details concerning these provisions which you may require.

Customs Administration

I should also like to make special mention of the important provisions of the charter relating to customs administration and procedure. The goal of this Government is to encourage the further development of world trade. With respect to

tariff levels, we have sought to cooperate to the utmost with other nations toward mutually advantageous tariff adjustments under the trade agreements program, while at the same time avoiding material injury to our domestic industries. World trade has also long been hampered by what some people call "customs red tape" which, in some areas, is said to be more of a restrictive trade barrier than the tariff rates themselves. The charter now takes the further step of prescribing a basic set of rules requiring worldwide cooperation to modernize customs procedures by sweeping away provisions which were devised long ago under economic and political conditions differing widely from those we face today. If this Government accepts membership in the Iro under the charter, we would be obligated to make a few changes in our customs laws, but these changes could not be effected without further

legislation.

I think it is fair to say that the provisions of the charter relating to customs administration and procedure reflect Treasury ideas and indeed flow in large measure from the custom-management improvement program of the Treasury Department. In attendance with the United States representatives at the preparatory meetings and at Habana when the charter was being negotiated were our own experienced customs technicians who knew exactly the difficulties connected with administration and the causes thereof. The Bureau of Customs has made considerable progress with the improvements called for by our management program which can be accomplished administratively, through changes in regulations and operating We have continued our study to procedures. determine what legislation is needed further to accomplish the objective of improving our management, making our operations more economical, and of providing better service to the public. The result is that we have been able to draft a bill which is designed to simplify customs administration. This bill will not only meet the requirements provided by the charter but also the many other desirable changes which we have studied since the drafting of the charter. This bill will be ready for submission to the Congress in the near future. I presume it will be referred to the Ways and Means Committee. Hence, the requirements of the charter as to customs procedures are not the primary motivating force in efforts to improve our own customs operations. But they remain of great importance if we are to secure equitable treatment for our own exporters who seek markets abroad.

Safeguarding Economic Conflicts

In conclusion, Mr. Chairman, the Iro charter was bred of our experience with a long period of great economic hostility which, as it became progressively more harmful to the peoples of the world, brought increasing threats to peace and

security. I can think of no greater mistake than to permit such economic conflicts to persist and to become aggravated. The charter offers a practical road toward the establishment of the rule of law in international trade. As the product of negotiation and compromise among representatives of more than 50 countries, it is probably not considered ideal by any of those countries. But it represents the only feasible alternative to the unrestricted practice of economic nationalism which is both harmful and dangerous. Therefore, I should like to express my strong support of House Joint Resolution 236 which authorizes acceptance by the United States of membership in the International Trade Organization.

Further Trade Agreement Negotiations With Chile

[Released to the press June 7]

The Interdepartmental Trade Agreements Committee has decided against holding supplementary trade-agreement negotiations with Chile looking toward a further United States tariff concession on dried beans (not specifically provided

for, par. 765, Tariff Act of 1930).

In accordance with an announcement issued on January 27, 1950, the interdepartmental Committee on Reciprocity Information held public hearings on March 9, 1950, concerning such negotiations.² After appraising the information presented at the hearings, the Trade Agreements Committee reached the conclusion that no action should be taken at this time. The Chilean Government has been notified of this decision. Under the General Agreement on Tariffs and Trade, the United States tariff on dried red kidney beans entered for consumption between April 30 and September 1 in any year, is 2 cents per pound and on other dried beans 1½ cents per pound. During the remainder of the year the rate is 3 cents per pound on both types.

U. S.-Haiti Relations To Continue

The Department of State announced on June 5 that the United States took action on that date to continue diplomatic relations with Haiti. This action is in conformity with this Government's policy with respect to recognition and after an exchange of views with the other American Republics.

¹ For additional information on U.S. intention, see Bulletin of May 15, 1950, p. 762, and Bulletin of May 29, 1950, p. 866.

Analysis of Senator McCarthy's Public Statements

ROCHESTER SPEECH

The Department of State on May 28 made public ¹ the following analysis of some of the factual inaccuracies in the speech delivered by Senator Joseph R. McCarthy at Rochester, New York, on May 25, 1950, to the National Convention of the Catholic Press Association of the United States:

1. SENATOR McCARTHY SAID: . . . Keep in mind those three names—Dr. Chi, Mr. Chew Hong, and the New China Daily News. Those names are the key to this (the Lattimore-Barnes) letter 2 and the State Department's fraudulent cover up . . . I am therefore submitting to you the secret files on those two men . . .

THE FACTS: At Wheeling, West Virginia, on February 9, 1950, Senator McCarthy asserted in a speech:

. . . While I cannot take the time to name all the men in the State Department who have been named as active members of the Communist Party and members of a spy ring, I have here in my hand a list of 205—a list of names that were made known to the Secretary of State as being members of the Communist Party and who nevertheless are still working and shaping policy in the State Department.

The next day, he said he had the names of "57 card-carrying members of the Communist Party" allegedly working in the Department. Later, he talked in terms of 81 security risks of various sorts. Eventually, he said he would stand or fall on his ability to prove that there was one "top Soviet espionage agent" in the State Department.

To date, Senator McCarthy has utterly failed to prove that there is a single Communist or pro-Communist in the State Department, and he now appears to be reduced to an attempt to divert attention with two 7- and 8-year-old memoranda dealing with the Civil Service Commission clearances for Office of War Information employment of two Chinese.

2. SENATOR McCARTHY SAID: . . . Edward Barrett, Mr. Acheson's publicity chief . . . was Mr. Lattimore's superior when both worked in the Office of War Information.

THE FACTS: In a letter to Senator Brewster, entered in the *Congressional Record* of May 2, Mr. Barrett, who is Assistant Secretary of State for Public Affairs, stated:

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... I was in charge of the Overseas Branch Office of War Information during the last part of the war, and I am proud of what I did toward helping to make that agency an effective psychological warfare arm of the Government. Owen Lattimore worked under me for a brief time during the war, but he left the Office of War Information a few weeks after I became his superior. I have not seen him since . . .

3. SENATOR McCARTHY SAID: . . . Our disaster in China . . . is the disaster to which Mr. Acheson refers as the "dawning of a new day."

THE FACTS: Here, again, Senator McCarthy lifts completely out of context a single phrase in order to completely distort the meaning of Secretary Acheson's hour-long address before the National Press Club on January 12, 1950. The Secretary, in discussing the Far Eastern situation, emphasized the extent to which nationalism had "become the symbol both of freedom from foreign domination and freedom from the tyranny of poverty and misery."

Developing this theme, he added:

Since the end of the war in Asia, we have seen over 500 million people gain their independence and over seven new nations come into existence in this area.

We have the Philippines with 20 million citizens. We have Pakistan, India, Ceylon and Burma with 400 million citizens, southern Korea with 20 million, and, within the last few weeks, the United States of Indonesia with 75 million.

Communism is the most subtle instrument of Soviet foreign policy that has ever been devised and it is really the spearhead of Russian imperialism which would, if it could, take from these people what they have won, what we want them to keep and develop which is their own national independence, their own individual independence, their own development of their own resources for their own good and not as mere tributary states to this great Soviet Union . . .

So after this survey, what we conclude, I believe, is that there is a new day which has dawned in Asia. It is a day in which the Asian peoples are on their own and know it, and intend to continue on their own. . . . So what

¹Department of State press release 558.

² See BULLETIN of June 12, 1950, p. 966, for reference to Lattimore-Barnes letter.

we can see is that this new day in Asia, this new day which is dawning, may go on to a glorious noon or it may darken and it may drizzle out. But that decision lies within the countries of Asia and within the power of the Asian people. It is not a decision which a friend or even an enemy from the outside can decide for them.

4. SENATOR McCARTHY SAID: . . . I am enclosing in the folder for each of you photostats of five Communist-front organizations with which Jessup was affiliated. You will note that Mrs. Jessup appears on the Executive Committee of a sixth Communist-front organization. The reason for including this with the photostats on Philip Jessup with this organization also.

THE FACTS: At Atlantic City, Senator McCarthy asserted that he had presented photostatic proof of such affiliations to the Tydings Subcommittee but counsel of the Subcommittee informed the Department of State that such proof had not been submitted.³ The following analysis of the photostats produced by the Senator at Rochester reveals:

(1) American Council, Institute of Pacific Relations. Dr. Jessup has been prominently connected with the activities of this organization. It is not a Communist-front. Senator McCarthy's only "evidence" against it was a single citation by a California Legislative Committee in 1948, on the ground that the Council "... received funds (from) Frederick V. Field ..."

(2) Coordinating Committee to Lift the Spanish Embargo. Ambassador Jessup has never been affiliated with this organization in any way. At Rochester, Senator McCarthy presented reproductions of three full pages and a part of a fourth page of a brochure entitled, "These Americans Say: 'Lift the Embargo against Republican Spain'." The full 20-page document is and purports to be merely a compendium of public opinion

concerning the Spanish embargo.

The only reference to Ambassador Jessup in the "photo-reproductions" presented by Senator McCarthy was a seven-line quotation from a statement by Charles C. Burlingham and Ambassador Jessup in the New York Times of January 31, 1939. A week earlier, the Times had printed a three-column letter from Henry L. Stimson recommending the lifting of the Spanish embargo. On January 26, the Times published a letter of rebuttal by Martin Conboy. It was from a three-column statement which the Times headlined as "Text of Reply of Burlingham and Jessup to Conboy's Letter" that the Burlingham-Jessup quotation was taken. The quotation in question reads:

It (lifting the embargo) would further mark a return to our historic policy of avoiding intervention in European civil wars by following a strict hands-off policy instead of taking the affirmative action which, as events have demonstrated, inevitably affects the outcome of a struggle in which we profess not to be concerned.

The Burlingham-Jessup quotation was "photoreproduced" by Senator McCarthy in such a way as to indicate that it constituted a full page of the brochure; whereas, it was actually only one among 11 similar statements by private individuals included on the page in question of the original brochure. Furthermore, it was only one of a total of 31 such quotations in the brochure as a whole, including statements by Henry L. Stimson, John Dewey, Helen Keller, Raymond Leslie Buell, Dorothy Thompson, A. F. Whitney, and William E. Dodd.

(3) National Emergency Conference and National Emergency Conference for Democratic Rights. Senator McCarthy's "photo-reproductions" show that Ambassador Jessup, along with more than 280 other private citizens, was listed as a sponsor of a "call" for a National Emergency Conference, to discuss matters of alien registration, in 1939. They also show that Ambassador Jessup's name was carried on the letterhead of the National Emergency Conference for Democratic Rights, as a sponsor, in February, 1940.

With regard to the National Emergency Conference, Ambassador Jessup testified before the Tydings Subcommittee that he had no recollection of the conference, that he did not attend the meeting for which the "call" was issued, and that he "certainly had no knowledge at the time that it was subversive." It was not until 4 years later that the Conference was first cited by the House Committee on Un-American Activities.

With regard to the National Emergency Conference for Democratic Rights, Ambassador Jessup testified that he did not recall the organization or any participation in it. This organization

was first cited in 1943.

(4) American-Russian Institute. Ambassador Jessup has never been a member, sponsor, or officer of this organization. Senator McCarthy's "photo-reproductions" show Ambassador Jessup's name along with those of 285 other individuals on one list of "sponsors" and, with 99 others, on a second list of "sponsors." These lists, however, were not lists of sponsors of the American-Russian Institute itself. They were lists of the sponsors of two dinners given by the organization—one in 1944, dedicated to American-Soviet postwar relations, and the other, in 1946, for the presentation of a posthumous award to Franklin D. Roosevelt.

Concerning the first of these two dinners, Ambassador Jessup told the Tydings Subcommittee:

I do recall... that I was asked by Mr. William Lancaster, a prominent New York lawyer, to permit my name to be used as a sponsor of a dinner which was to be held on October 19, 1944. I had met Mr. Lancaster particularly through his activities on the Foreign Policy Association, at a time when General Frank McCoy was President and

^{*}Bulletin of June 12, 1950, p. 971.

Senator Alexander Smith and I were members of the Board. I accepted that invitation in 1944, but was unable to attend the dinner.

Concerning the second dinner, he testified:

The dinner in question was one given on May 7, 1946, on the occasion of the presentation of its first annual award to Franklin D. Roosevelt which was accepted on behalf of his family. A search of my files has failed to reveal any information concerning this incident, nor do I remember attending the dinner. From approximately February to June of the year 1946, I was seriously ill in a hospital in New York City, so it is unlikely that I

Ambassador Jessup specifically declined invitations to speak at dinners of the Institute in 1948 and 1949. Meanwhile, the New York organization had been expressly excluded from the Attorney General's first published lists of subversive organizations, and it was not included before 1949.

(5) American Law Students Association. This organization, which Ambassador Jessup served as a faculty adviser for about 2 years, was a perfectly innocent group. It was not and has never

been cited as a Communist-front.

As "evidence" to the contrary, Senator Mc-Carthy produced at Rochester a photostat of a letterhead of the association carrying the customary union shop printer's label. This label was identified by Senator McCarthy in a typewritten notation as "Union label no. 209 which is the Com-

munist print shop label."

He also handed out at Rochester a mimeographed statement in which he flatly asserted, without giving any supporting evidence, that the association was "affiliated" with three organizations cited as Communist or Communist-front. He then devoted three single-spaced typewritten pages to a listing of various citations, not against the American Law Students Association, but against the three organizations with which he asserted it was "affiliated."

The fact that the association has never been

cited in any way by any agency speaks for itself.
(6) China Aid Council. Ambassador Jessup has never been affiliated with this organization. Senator McCarthy had previously charged, at Atlantic City, that Ambassador Jessup was a director of "one of the worst" Communist-front organization, and identified that organization, to a press association, as the China Aid Council. At Rochester, however, he presented a "photo-reproduction" indicating that, not Ambassador Jessup, but Mrs. Jessup, was at one time on the Executive Committee of the Council.

The Department, in its analysis of the Senator's Atlantic City speech correctly asserted that, intentionally or carelessly, the Senator had confused Dr. Jessup with his wife.5 The analysis then pointed out that Mrs. Jessup's association with the organization came about through her

interest in the activities of an organization sponsored by Madame Chiang Kai-shek—the American Committee for Chinese War Orphans.

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It will be noted that Senator McCarthy's letterhead presented as evidence shows that the "Council" was combined with this Committee for orphans. Mrs. Jessup's part in the Committee's work was to organize a tea business-the tea was called "May Ling" tea (after Mme. Chiang)and the profits went directly to orphanages. After 1942, Mrs. Jessup took very little active interest in the Committee, because from that year until 1946 she was working full time for the American Friends Service Committee (Quakers) in Philadelphia, Spain, and France. She did not attend meetings or keep in touch with the work of the China Aid Council.

It will be noted that, of the six organizations in question, two are not Communist-fronts, and two are organizations with which Dr. Jessup has had no connection. For the fifth organization, Dr. Jessup was a sponsor of two dinners which he did not attend. He signed a "call" which resulted in the formation of the sixth organization but had no

further connection with it.

5. SENATOR McCARTHY SAID: They (the State Department in its analysis of Senator McCarthy's American Society of Newspaper Editors speech) quote me as having stated that at the height of the Communist Party line campaign on the part of the Far Eastern Survey that Dr. Jessup was head of the Research Advisory Council. The "facts" they give were that he was not the Chairman in 1943 . . . Now here is a photostat to show that he was head of the Research Advisory Council in 1944. . .

THE FACTS: The identifiable date in Senator McCarthy's American Society of Newspaper Editors speech was 1943. However, in his subsequent Chicago speech, Senator McCarthy broadened his charge and was again met with the facts. In its analysis on May 20, 1950, the Department stated:

SENATOR McCARTHY SAID: Jessup . . . was largely in charge of a publication known as the Far Eastern Survey, the publication of the American Council of the Institute of Pacific Relations; that he was in charge while it was spewing forth the perfumed Communist Party line sewage . .

THE FACTS: Senator McCarthy grossly exaggerated Dr. Jessup's relationship with Far Eastern Survey based on the single fact that in 1944 Dr. Jessup served on the Research Advisory Committee of the American Council

of the Institute of Pacific Relations.

Senator McCarthy's allegation that Far Eastern Survey followed the Communist Party originates in discredited contentions made by one Alfred Kohlberg in 1944. The American Council of the Institute of Pacific Relations investigated Kohlberg's charges. In a document circulated to its members, it was demonstrated that Kohlberg had ignored the overwhelming number of facts that did not support his contention. The document showed, among other things, that Kohlberg had quoted, in connection with Far Eastern Survey, and other publications, from less than

* Ibid, p. 970.

BULLETIN of June 12, 1950, p. 969.

2 percent of the articles published and from less than .002 percent of the books published. In April 1947, the membership of the American Council of the Institute of Pacific Relations in a vote of 1163 to 66 overwhelmingly repudiated Kohlberg's charges as "inaccurate and irresponsible."

At Atlantic City, Senator McCarthy repeated these charges all over again. In its analysis, the Department added this characterization of the Institute of Pacific Relations by the Rockefeller Foundation: "The most important single source of independent studies of the problems of the Pacific area and the Far East."

SENATE FLOOR SPEECH

Senator McCarthy produced on the Senate floor, on June 6, a photostat which, he said, constituted proof by the FBI that three men listed by the FBI as Communist agents in May 1946 are still working for the Department of State.

That statement is absolutely false.

The Senator based his charge upon the completely erroneous belief that the FBI prepared a chart, referred to in the photostated document, which purportedly evaluated Departmental personnel in terms of "agents," "Communists," etc.

1. No such chart was ever received by the De-

partment of State from the FBI.

2. The Department of Justice has informed us that no such chart was ever prepared by the FBI.

3. The chart in question was merely a preliminary working document prepared by one of the State Department's security officers as a basis for further investigation.

4. No persons purportedly identified on that chart as Communist agents, Communists, or the like, are now employed by the Department of State except those whose loyalty has since been thoroughly checked, evaluated, and reviewed under the President's loyalty program.

A Further Analysis Follows

1. SENATOR McCARTHY SAID: The Bureau (FBI) sent to the State Department on that date (May 15, 1946) a detailed statement listing what they considered as no. 1, Soviet agents; no. 2, Communists; no. 3, Communist sympathizers; and no. 4, suspects.

THE FACTS: As previously stated by the Department, neither the chart itself nor the report of August 3, 1946, in which Senator McCarthy has cited a reference to the chart, was prepared by, or sent to the State Department by, the FBI and this has been verified to the Department of State both by the Department of Justice and by

the FBI. On the contrary, the chart and the report were prepared within the Department of State itself. The chart was prepared on May 15, 1946, and the report on August 3, 1946.

The Department of State, after consultation with the writer of the report, with the former security officer under whose direction and in whose office the chart was prepared, with certain of his then subordinates familiar with the chart, with the Federal Bureau of Investigation, and after reviewing working papers which are still in its file, has conclusively determined that the chart was not prepared or furnished by the FBI but was prepared as an investigator's working document in the Department of State in 1946 and by employees of the Department of State. Interview with the writer of the report, who is still in the Department, and the security officer with whom he had a conversation about the chart established that the writer of the report drew from his conversation with the security officer the unintentionally erroneous conclusion that the chart was prepared in the FBI.

2. SENATOR McCARTHY SAID: The function of the FBI is merely that of a fact-finding body . . . This is the only time it has been brought to my attention that the FBI has departed from its function and said, "We will evaluate our own evidence in our files and give it to the Department." Apparently, the reason was that they must have been seriously disturbed by what they had in their files . . .

THE FACTS: This statement is patently false. In the first place, as previously stated, the chart in question was not prepared or submitted by the FBI to begin with. Information from the FBI was included with information from other agencies—OSS, Civil Service, etc., in the files which the State Department personnel consulted in drawing up the chart; but there was no FBI evaluation of the State Department employees.

In the second place, since the FBI had nothing to do with the preparation of the chart, it obviously could not have talked to itself in the manner described by Senator McCarthy about the "evaluation" of "evidence" concerned. Since the issuance of the State Department's first statement in this connection, the FBI has verified to the Department the fact that it not only had nothing to do with the preparation of the chart but that it also had nothing to do with evaluating the personnel indicated on the chart as purported "agents," "Communists," etc., or in any other way. Thus, Senator McCarthy's assertion that the FBI took unprecedented action in the matter is utterly unfounded, and his inference that the FBI took such action because it was "seriously disturbed" by the contents of its files is pure fantasy.

3. SENATOR McCARTHY SAID: The submission of the list of Soviet agents, Communists, and so forth, to the State Department by the FBI met with such little favorable activity on the part of the State Department

⁷ BULLETIN of June 12, 1950, p. 968.

that, so far as I know, the Bureau has never submitted a like chart since that date.

THE FACTS: Though the chart in question had not been submitted to the Department by the FBI back in 1946, or at any other time, it was, as a matter of fact, a working list of Departmental personnel on whom the Department's security officer, at that time (May 15, 1946), had received allegations which, in the opinion of the security officers by whom the chart was prepared, warranted further investigation. Virtually the entire activity of the security officer and his top men at that time was directed toward the utilization and full development of the leads and information received from the FBI, from departmental investigation, and other sources, particularly relating to the people listed on the 1946 chart. Moreover, on the basis of the findings and recommendations contained in the "secret" report in which the chart was referred to, energetic steps were taken toward an improved security set-up in the Department, including the successful direction of such investigations as that leading in 1946 to the firing, followed by trial and conviction, of Carl Marzani.

4. SENATOR McCARTHY SAID: This (the language of the report) is not the language of McCarthy; it is the language of the State Department's top investigators.

THE FACTS: The language was not the language of any one of the Department's "investigators"; it was the language of an administrative officer of the Department, assigned by Assistant Secretary Russell, in charge of the Department's security program, to undertake, on a highly confidential basis, a study at Washington of the operations of the Department's organization in 1946 for dealing with problems of personnel security.

5. SENATOR McCARTHY SAID: The man who makes this report says in effect, "The only way we are going to get rid of the other Communists is accidentally by a reduction in the force."... From all the information we have been able to obtain, none of the men who were labeled by the FBI have been fired, but were allowed to resign...

The Facts: The writer of the report said no such thing directly or by implication. His report dated August 3, 1946, in fact was intended to, and did, explore the means for making existing security procedures more effective, especially against the penetration of foreign intelligence agencies into the Department of State. His reference to reduction in force as a factor in eliminating persons named on the chart was factual—but it did not exclude other methods. Such other methods, including resignation—which the Senator himself contradictorily names as the only method—and firing, where investigation supported this action, were effectively employed. No case today remains unresolved.

6. SENATOR McCARTHY SAID: The FBI wisely refused to submit top secret information to the State Department on these dangerous individuals . . . apparently not trusting the State Department to that extent . . .

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THE FACTS: The FBI has never refused to make available to appropriate officers of the State Department, through established liaison channels, information concerning State Department personnel.

7. SENATOR McCARTHY SAID: At least three of those listed as Communist agents by the FBI 3 years ago are still holding high positions in the State Department . . . Those names are included among the 106 names that I gave to the (Tydings) committee . . . Those names I have checked and I know the persons are working in the State Department . . . I . . . have the proof that those men are working in the State Department as of this very moment.

THE FACTS: This statement is absolutely false. The Department of State has in its possession the working chart itself, dated May 15, 1946. Of the 20 persons hypothesized on the chart as "agents," there is only one who—after thorough reinvestigation, including a full FBI investigation, and clearance under the Department's loyalty and security procedures—is still in the employ of the Department. That one does not hold a "high position"; his grade is GS-9. Furthermore, that one is not on the list of 106 Senator McCarthy gave the Tydings Subcommittee.

8. SENATOR McCARTHY SAID: You will note that I am . . . only referring today to those who are listed as Communist agents. I hope to be able to give the Senate a complete picture of how many of the total of 106 agents, Communist sympathizers, and so forth, are still on the State Department's pay roll . . .

THE FACTS: Any person among those listed on the old 1946 working chart referred to by Senator McCarthy who is still employed in the Department of State has been the subject of careful investigation and has been cleared for security after thorough study of his case either by the Division of Security, acting with the benefit of the FBI's information, or by the Loyalty Security Board of the Department. Each loyalty decision by the Department's Loyalty Board has been post-audited by the Loyalty Review Board, and in no case was the recommendation of the Department's Board changed.

9. SENATOR McCARTHY SAID: Take, for example, case No. 1, which I presented on the Senate floor, the name has not yet been made public, so we shall not use it now. The Committee has the name. In that case the Loyalty Review Board made what is known as a post-audit, and, after looking at the post-audit, they said, "We are not satisfied with the finding." They sent it back to the State Department Loyalty Board, and that Board said "The case is closed." That man is still on the State Department pay roll.

THE FACTS: Once again, Senator McCarthy's alleged quotations are not quotations—they are typical misstatements. The Loyalty Review Board did not advise the Department of State that they

were "not satisfied with the finding" in this case; they did make a procedural recommendation, and, thereafter, the case was not "closed." On the contrary, appropriate action was taken by the State Department Loyalty Security Board, and clearance, in this case, was again post-audited by the President's Loyalty Review Board. The Loyalty Review Board has in no way criticized or changed the final action and findings of the Department's Loyalty Security Board.

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10. SENATOR McCARTHY SAID: . . . In the Office of War Information, Mr. Owen Lattimore . . . went to bat for one Communist . . . who had been officially turned down by the Loyalty Board . . . and another Chinese who had been rejected by one member of the Board . . .

THE FACTS: As the Department pointed out in its analysis of the Senator's Rochester, New York, speech on May 25, he now appears to be reduced to an attempt to divert attention with 1943 Civil Service Commission clearances for Office of War Information employment of two Chinese.

As for Mr. Owen Lattimore, both Mr. Lattimore himself and the Department of State have repeatedly reiterated that he is not an employee of the Department.

At Wheeling, West Virginia, on February 9, 1950, Senator McCarthy asserted in a speech:

... While I cannot take the time to name all the men in the State Department who have been named as active members of the Communist Party and members of a spy ring, I have here in my hand a list of 205—a list of names that were made known to the Secretary of State as being members of the Communist Party and who nevertheless are still working and shaping policy in the State Department.

The next day, he said he had the names of "57 card-carrying members of the Communist Party," allegedly working in the Department. Later, he talked in terms of a "big three" and of 81 security risks of various sorts. He told the Tydings Committee to investigate 106 cases. Eventually, he said he would stand or fall on his ability to prove that there was one "top Soviet espionage agent" in the State Department.

And then, on June 6, we hear of 106 names on a 4-year-old working chart and three "agents" purportedly still at large in the Department of State.

But the record—the facts—speak for themselves: Senator McCarthy has utterly failed to show that there is a single Communist or pro-Communist in the State Department. His numbers change; his credibility does not.

U.S. Position Remains Unchanged on Polish-German Boundary

[Released to the press June 8]

In response to inquiries, the Department of State released today the following excerpts from (1) the agreed protocol of the Berlin conference (Potsdam Agreement of August 1, 1945); (2) the address by Secretary of State James F. Byrnes, delivered at Stuttgart, Germany, on September 6, 1946; and (3) the statement on April 9, 1947, by Secretary of State George C. Marshall at the Moscow meeting of the Council of Foreign Ministers, all relating to the United States position regarding the question of the final determination of Polish-German boundary. United States policy on this question remains unchanged.

POTSDAM AGREEMENT (PAR. VIII B, WESTERN FRONTIERS OF POLAND)

In conformity with the agreement on Poland reached at the Crimea Conference, the three heads of government have sought the opinion of the Polish Provisional Government of National Unity in regard to the accession of territory in the north and west which Poland should receive. The President of the National Council of Poland and members of the Polish Provisional Government of National Unity have been received at the conference and have fully presented their views. The three heads of government reaffirm their opinion that the final delimitation of the western frontier

of Poland should await the peace settlement.

The three heads of government agree that, pending the final determination of Poland's western frontier, the former German territories east of a line running from the Baltic Sea immediately west of Swinemunde, and thence along the Oder River to the confluence of the western Neisse River and along the western Neisse to the Czechoslovak frontier, including that portion of East Prussia not placed under the administration of the Union of Soviet Socialist Republics in accordance with the understanding reached at this conference and including the area of the former Free City of Danzig, shall be under the administration of the Polish State and for such purposes should not be considered as part of the Soviet zone of occupation in Germany.

EXCERPT FROM STUTTGART ADDRESS BY SECRETARY BYRNES

At Potsdam, specific areas which were part of Germany were provisionally assigned to the Soviet Union and to Poland, subject to the final decisions of the Peace Conference. . . . With regard to Silesia and other eastern German areas, the assignment of this territory to Poland by Russia for administrative purposes had taken place before the Potsdam meeting. The heads of government agreed that, pending the final determination of Poland's western frontier, Silesia and other eastern German areas should be under the administration of the Polish state and for such purposes should not be considered as a part of the Soviet zone of occupation in Germany. However, as the protocol of the Potsdam conference makes clear, the heads of government did not agree to support at the peace settlement the cession of this particular area.

The Soviets and the Poles suffered greatly at the hands of Hitler's invading armies. As a result of the agreement at Yalta, Poland ceded to the Soviet Union territory east of the Curzon Line. Because of this, Poland asked for revision of her northern and western frontiers. The United States will support a revision of these frontiers in Poland's favor. However, the extent of the area to be ceded to Poland must be determined when the final settlement is agreed

upon.

EXCERPTS FROM STATEMENT BY SECRETARY MARSHALL AT MOSCOW

The time has now come for the Council of Foreign Ministers to examine the problem of the final determination of the Polish-German boundary. The Potsdam protocol provided that "the final delimitation of the western frontier of Poland should await the peace settlement." Pending that final settlement, about 40,000 square miles of eastern German territory were, at Potsdam, placed under the administration of the Polish state.

We are agreed that Poland should receive substantial accessions of territory in the north and west in compensation for territory acquired by the

Soviet Union east of the Curzon Line.

In the peace settlement, therefore, a substantial revision of the prewar German frontier in Poland's favor is required. Our problem is how and where to draw the final line so as to avoid unnecessary and unjustified economic upset and to minimize inescapable irredentist pressure in Germany.

The area in question is very important to the livelihood not merely of those who live there but of many others who live in neighboring areas.

A solution of the problems involved in the character and location of the Polish-German frontier must be sought. While it will require precise and informed investigation, the main limits to this investigation can be stated now. It will be accepted, I think, that southern East Prussia should become Polish territory. German Upper Silesia and its industrial complex should also become Polish, but

there should be provisions to assure that its coal and other resources will be available to help sustain the economy of Europe. The division of the remaining territory which is largely agricultural land, requires consideration of the needs of the Polish and German peoples and of Europe as a whole. Accordingly, I propose that the following be agreed here in Moscow:

The Council of Foreign Ministers establishes a special boundary commission to function under the direction of the deputies. It will be composed of representatives of the U.S.S.R., the United Kingdom, the United States, France, and Poland, and a convenient number of other Allied states to be designated by the Council of Foreign Ministers. The Council of Foreign Ministers will invite Poland and each of the designated countries to appoint a member.

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The function of the commission shall be to consider and recommend to the Council of Foreign Ministers:

(a) A revision of the pre-war Polish-German boundaries which will fairly compensate Poland for the cession of territory east of the Curzon Line to the Soviet Union.

(b) The economic arrangements appropriate to assure that such raw materials and heavy industrial resources of the area in question as are vital to European economy shall fairly serve that need, including particularly the need of Poland.

In making its recommendations, the commission shall inquire into the report upon Polish resettlement and German settlement in the areas in question and the best means to assure effective utilization of such areas for the economic well-being of the Polish and German peoples and of Europe as a whole.

Statement on Repatriation of German Prisoners of War From the Soviet Union

[Released to the press at London May 13]

The three Foreign Ministers have noted with surprise and deep concern the Soviet statement of May 4 which declared that the repatriation of German prisoners of war from the Soviet Union to Germany has now been completed. They recall the repeated efforts made by the three Western Occupation Powers to secure the Soviet Government's compliance with the quadripartite agreement to repatriate all German prisoners of war by December 31, 1948.

The Soviet statement stands in sharp contradiction with the fact that a very large number of German families are still awaiting the return of their relatives taken prisoner of whom they have had direct news during their captivity in the Soviet Union. The Ministers note furthermore the inconsistencies among the scant data furnished at different times by the Soviet Government concerning the numbers, whereabouts and fate of German prisoners of war and deported civilians. This situation reveals a grave disregard for human rights.

It is moreover apparent that this is not an isolated incident since the Soviet Government has also failed to repatriate numerous nationals of German occupied countries taken prisoner during the war as well as more than 300,000 Japanese nationals who still remain unaccounted for in Soviet territory.

The Ministers have agreed that they will take all possible steps to obtain information bearing on the fate of prisoners of war and civilians not yet repatriated from the Soviet Union and to bring about repatriation in the largest possible number of cases.

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U.S. Rejects Czechoslovak Sham Peace Resolution to Congress

[Released to the press May 24]

Following is the text of a note delivered by Acting Secretary Webb to the Czechoslovak Embassy today:

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of Czechoslovakia and has the honor to refer to his note No. 2482/50 of April 27, 1950, transmitting copies for forwarding to the Congress of the United States of the text of the resolution adopted by the Czechoslovak National Assembly on

February 22, 1950.

Astonished by the offensive and baseless references to the United States contained in the resolution, this Government is completely unable to understand how one government, uttering professions of peace, could send to another government an official communication so inconsistent with mutual understanding and normal relations between nations.

It is obvious that this resolution, far from making a contribution to peace, increases the difficulty of developing international amity.

The copies of the resolution transmitted by the Embassy's note are accordingly returned herewith

as unacceptable.

On April 27, 1950, the Czechoslovak Ambassador, Dr. Vladimir Outrata, called on the Under Secretary James E. Webb, to present a note enclosing copies of a resolution adopted by the Czechoslovak National Assembly on February 22 for forwarding to both Houses of Congress.

The resolution accused the "imperialist powers," led by the United States and Great Britain, of pursuing a policy of aggression and threatening world peace in a "desperate" attempt to save the "crumbling capitalist order" and destroy "true democracy," in contrast to the Soviet Union which leads the "camp of peace and progress"; demanded the cessation of "imperialist production" of arms; and called upon "all parliaments of the world" to take a stand against war preparations and support the "world peace movement."

Five additional demands were:

1. prohibition of production and use of atomic and other weapons of mass destruction.

2. cessation of the "unjust" wars in Vietnam,

Malaya, and elsewhere,

3. an end to the revival of nazism and fascism and the policy of turning Western Germany into

an "imperialist war base,"

4. an end to the persecution of "fighters for peace" in capitalist, colonial, and semicolonial countries, and

5. the conclusion of a Great Powers "peace pact" within the framework of the United Nations.

On May 24, the Department of State said that the resolution constitutes an integral part of the Soviet-Communist "peace" campaign sponsored by the World Congress of the Partisans of Peace. This so-called "peace" campaign serves as a propaganda cover and a pivot for all Communist and fellow-traveler activities ranging from "peace" demonstrations in Western Europe to armed con-

flict in Indochina.

The World Partisans of Peace Movement, founded in April 1949 at Paris, is staffed by Communist and fellow-traveler officials, with Frédéric Joliot-Curie as president. The movement has undertaken what it calls "concrete" actions, the most important of which are (1) the formation of "peace" committees to prevent the unloading of Mutual Defense Assistance equipment and (2) a world-wide campaign to support Soviet proposals in the United Nations on disarmament and the atomic bomb.

The movement's methods include the collection of petitions for presentation to the parliaments of the world; the dispatch of international delegations to various countries to present Soviet proposals; the convocation of world peace congresses; and the formal peace proposals by Communist governments to the Western legislatures.

The resolution was shown to and discussed with the leaders of the Senate Foreign Relations Committee and the House Foreign Affairs Committee, who endorsed the Department of State's opinion, that the reply to the Czechoslovak Ambassador should be simply to hand back the resolution.

Department's View Concerning **Current Philippine Legislation**

[Released to the press May 12]

The Department of State has received many inquiries concerning its attitude in regard to legislation now under consideration by the Philippine Congress. In particular, inquiries have been received with regard to import-control legislation which would set aside certain percentages of import quotas for new Filipino importers.

It is the Department's view that much of this legislation would be highly discriminatory against American and other foreign business. Accordingly, Ambassador Cowen has been instructed to make inquiry regarding such measures and, specifically, to make representations against the discriminatory provisions of the proposed legislation in regard to import control.

The United States in the United Nations

REVIEW, MAY 1-JUNE 15, 1950

During the past 6 weeks, the Security Council has held one meeting and the Working Committee of its Commission for Conventional Armaments, two. United Nations field bodies established by the General Assembly have continued to function in Korea, Greece, Libya, and other parts of the world. At Lake Success, the Trusteeship Council is now having its seventh session. The International Court of Justice, sitting at The Hague, held public hearings on the question of the international status of South West Africa and set a June 5 deadline for the filing of written briefs on the two remaining questions concerning the interpretation of the satellite peace treaties in connection with the alleged violations of human rights in Bulgaria, Hungary, and Rumania. Suborgans of the Economic and Social Council have met in the Far East, Europe, and South America, as well as at Lake Success, and four of the specialized agencies have held conferences. In addition, a special Migration Conference, held under ILO auspices, and a United Nations Technical Assistance Conference have been held.

The Soviet boycott of all United Nations organs on which the Chinese National Government is represented continued and was carried over to the specialized agencies, on most of which the U.S.S.R. is not represented, through satellite walk outs

Secretary-General Lie, in an effort to relieve East-West tension, held discussions in Washington, Paris, Moscow, and London on the basis of his 10-point, 20-year program for the United Nations. Following these conversations, he said he was convinced that "the reopening of genuine negotiations on certain of the outstanding issues may be possible," contingent upon prior settle-ment of the Chinese representation question. Commenting on Mr. Lie's proposal, Secretary Acheson said that the United States is "willing to consider any possibilities put forward by Mr. Lie or by any other member of the United Nations which are believed to be practical" but that "so long as the Soviet Government continues its present policies," the free nations must proceed "to create situations of strength in the free world because this is the only basis on which lasting agreement with the Soviet Government is possible."

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On May 24, President Truman proclaimed that October 24, 1950, will again be observed as United Nations Day.

Security Council

At its one meeting on May 24, the Security Council unanimously decided to appoint, "should an appropriate occasion arise," a rapporteur or conciliator for a situation or dispute brought to its attention. This decision was based on a 1949 General Assembly recommendation. The Council has used this technique, notably in the Kashmir case. The two meetings on May 18 and June 8 of the Working Committee of the Council's Commission for Conventional Armaments were devoted to consideration, on the basis of United States proposals primarily, of the "safeguards" question in connection with any future agreement for the regulation and reduction of arma-The United Nations representative in Kashmir, Sir Owen Dixon, is now on the Indian subcontinent and has taken over the powers and responsibilities of the United Nations Commission for India and Pakistan, in conformity with the Council's resolution of March 14, 1950. The United Nations Commission for Indonesia continues to be available in that country to observe and assist in, at the request of the parties, the general implementation of the Hague agreements establishing the Republic of the United States of Indonesia and to carry out certain specific responsibilities with respect to the withdrawal of troops and the holding of elections.

General Assembly

Field bodies established by the General Assembly to deal with problems in Korea, Palestine, Greece, and the former Italian colonies have continued their work, and the International Law Commission opened its second session on June 5. The Interim Committee's subcommittee on international cooperation in the political field has been active.

Korea.—The United Nations Commission on Korea, in accordance with its decision of May 4, observed the May 30 elections in the Republic of Korea, with a view to reporting to the General Assembly on their nature "as a continuing development of representative government in Korea." On June 10, the Acting Deputy Principal Secretary of the Commission established contact with representatives of the North Korea people at Yohyon, north of the 38th parallel, but was not successful in delivering to them Commission documents concerning the unification question. He made the trip in response to an invitation from North Korean sources to receive copies of a North Korean appeal concerning the unification of all Korea. This contact is the first one with the north that has been effected.

Greece.—On June 13, an observation group drawn from the Australian, Brazilian, French, Mexican, United Kingdom, and United States delegations to the United Nations Special Committee on the Balkans completed an 11-day inspection tour of the northern frontier areas of Greece. The Committee is now preparing to move to Geneva where it will draft a report on its work of the past year to be submitted to the General Assembly

this fall.

Former Italian Colonies.—The Council for Libya, of which the United States is one of ten members, reconvened in Tripoli on June 12 after a month's recess during which time its members visited the three Libyan territories—Cyrenaica, Tripolitania, and the Fezzan. At this meeting, Col. Abdur Rahim Khan of Pakistan, Chairman of the Council, announced the Emir's nomination of five Cyrenaican members to the Preparatory Committee for Libya. This committee, as projected in the plans of the United Nations Commissioner, Adrian Pelt, is to recommend the method of election and the composition of the Libyan National Assembly called for under the General Assembly resolution and to draft the constitution to be submitted to that Assembly. The Tripolitanian and Fezzanese members of the Committee have yet to be named. The Eritrean Commission, after conducting inquiries in Eritrea and receiving the views of the Governments of Ethiopia, Egypt, Italy, France, and the United Kingdom on the future of that territory, moved to Geneva to write its report. This report on the disposition of Eritrea is, under the General Assembly resolution, to be submitted not later than June 15 for consideration by the Interim Committee and then by the General Assembly. The United States is not a member of this Commission nor of the Advisory Council for Somaliland, which, on May 5, met in Mogadishu to hear a review of the first month of United Nations trusteeship under Italian administration.

Palestine.—The sixth progress report of the United Nations Conciliation Commission for Pal-

estine, covering the period December 9, 1949, to May 8, 1950, was issued at Geneva on June 1. It dealt primarily with the replies of Israel and the Arab states to the Commission's memorandum of March 29 proposing new procedures to take into account the Arab requests for mediation and the Israeli request for direct negotiations. On June 8, the Commission made public another note, dated May 30, designed to clarify its position on the earlier proposals and to encourage their acceptance. The Commission's progress report also dealt with various aspects of the refugee problem. A second appeal for contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East was sent out on May 8 by the then Acting Secretary-General of the United Nations, Byron Price. The Omnibus Foreign Assistance Bill, signed by President Truman on June 1, included an authorization for a \$27,-450,000 United States contribution to the Agency, of which \$8,000,000 was made immediately available.

International Law Commission.—Under the chairmanship of Manley O. Hudson of the United States, the International Law Commission, consisting of 15 international lawyers elected by the General Assembly, opened its second session on June 5 at Geneva. Reports on the law of treaties, arbitral procedure, and the regime of the high seas are among the working papers before the Commission that its members have prepared since the

first session at Lake Success last year.

Trusteeship Council

The Trusteeship Council, on June 14, took the first major action of its seventh session, which convened on June 1, when it adopted a resolution referring back to the General Assembly the question of an international regime for Jerusalem. Under the resolution, the Council submits to the Assembly, without prejudice, a factual report on this question, together with the statute for Jerusalem approved at the Council's sixth session; the report of Roger Garreau, Council President during the sixth session, on his efforts to discuss the statute with Israel and Jordan; and Israel's May 26 reply to Garreau in which alternate proposals, not discussed by the Council, were made that place the Holy Places only under United Nations control.

Economic and Social Council

Eight of the Economic and Social Council's twelve subsidiary commissions were in session during this period, five at Lake Success and the three regional Economic Commissions (for Asia and the Far East, for Europe, and for Latin America) in their respective regions. The Technical Assistance Conference was also held at Lake Success. The United States was represented at all of these conferences.

Commission on Human Rights.—The Commission on Human Rights devoted the major portion of its sixth session, which met March 27-May 19, to consideration of the draft Covenant on Human Rights, and decided to submit its draft Covenant, which now includes measures of implementation. to the Economic and Social Council without recommendation, thus leaving to the Council the decision of whether to submit the Covenant to the next session of the General Assembly. The Commission took no final vote on the draft Covenant as a whole because of its decision to refer to the Economic and Social Council without discussion the two articles on how the Covenant is to be applied in the case of federal states and of colonial or nonself-governing territories.

A subsidiary of the Commission on Human Rights, the Subcommission on Freedom of Information and of the Press, held its fourth session at Montevideo, May 15-26. Carroll Binder of the United States proposed and the Subcommission adopted a resolution condemning the "jamming" of radio broadcasts across national boundaries as a violation of the right of freedom of information.

Social Commission.—At its sixth session, April 3-May 5, the Social Commission rejected the United States proposal for a continuing, longrange program to assist governments to develop and carry on their own programs on behalf of children. The United States, however, reserved the right to reintroduce the substance of this proposal in the Economic and Social Council. It considers that the Commission's recommendations for continuation of the International Children's Emergency Fund "failed to outline clear and definite plans for programming, administering, and financing work in this field," for which the Omnibus Foreign Assistance Bill authorizes an appropriation of 15 million dollars. The United States also initiated or cosponsored resolutions that were adopted on the training of social workers, a program for promoting the welfare of aged persons, social rehabilitation of the physically handicapped, including the blind, traffic in persons in the Far East, and a report on the world social situation. The Commission's draft Declaration of the Rights of the Child was transmitted to the Economic and Social Council with the request that, after consultation with the Commission on Human Rights, it be submitted to the General Assembly for final approval.

Status of Women.—The question of equal political rights for women was one of the main items considered by the Commission on the Status of Women during its fourth session May 8-19. The Commission asked the Secretary-General to continue his annual reports on the political rights of women, including women in trust territories. He was also asked to prepare a draft convention on this subject for later consideration and a study guide to assist women in countries where they

have recently acquired the right to vote. The Commission set forth certain principles to be used as a basis for a convention on the nationality of married women. The United States representative, Mrs. Olive Remington Goldman, considered as a significant accomplishment the Commission's adoption of "two fundamental principles of equality in regard to the nationality of women: first, that there shall be no distinction based on sex as regards nationality; and second, that neither marriage nor its dissolution shall affect the nationality of either spouse." She thought this session was "significant also because of the progress apparent in the achievement of equal suffrage for women."

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Statistical Commission.—During its fifth session, May 8-17, the Statistical Commission dealt with a 10-item agenda covering such technical subjects as classification of commodities for international trade statistics, classification of occupations, censuses of industrial production, price indices, and statistical sampling. The Commission also recommended, at the suggestion of the United States member, Stuart A. Rice, that its membership be increased from 12 to 15 in order to achieve wider geographical representation on

the Commission.

Population Commission.—The relation between population trends and economic and social factors, demographic aspects of technical assistance for economic development of underdeveloped countries, and the question of migration studies at an international level were among the issues with which the fifth session of the Population Commission, May 22-June 2, dealt. The Commission's recommendations with respect to migration studies and research were based on a proposal made by the United States member, P. M. Hauser, who pointed out that Western Europe's economic problems might be in part due to the lack of balance between population and economic resources. In making its recommendations, the Commission also took into account the work of the Preliminary Conference on Migration which met at Geneva, April 25-May 9, to study ways of encouraging migration from overpopulated countries to underdeveloped areas where there is a shortage of manpower.

Regional Commissions.—Its progress in moving from broad generalizations to the technical examination of individual problems in such fields as inland transport and iron and steel was noted as a major achievement in the report adopted by the Economic Commission for Asia and the Far East at its sixth session at Bangkok, May 16–20. Ambassador Edwin F. Stanton, who represented the United States, told the Commission of this Government's desire, through its technical assistance program, to help the countries in that region to improve living standards and to strengthen their

economies.

The fifth session of the Economic Commission for Europe, which opened at Geneva on May 31, reviewed the economic situation in Europe and

considered the reports on activities and future work programs of its committees and of the Commission itself. On the first day of the session, Ambassador W. Averell Harriman, who represented the United States, stressed the need for an extension of commercial production and exchange in order to raise the standards of living of the European peoples and expressed satisfaction with the results obtained by the Commission's Committees on Coal, Timber, and Transport. Since China was not a member of this Commission, the representation question did not arise, and the U.S.S.R. and its satellites were present throughout the ses-The Executive Secretary, Gunnar Myrdal, released the text of a favorable Soviet reply to his suggestion that a European grain agreement might be concluded. Having found the reaction of other governments also encouraging, he announced to the Commission at the opening meeting that he would submit to the government concerned before the end of the summer the draft of such an agreement to serve as a basis for negotiation.

The Economic Commission for Latin America, which opened its third session at Montevideo on June 5, is considering the problems of economic development in that region. The interest of the United States in development of the Latin American economy was expressed by Ambassador Christian Ravndal, who explained the various ways in which this country is cooperating toward this end and outlined the circumstances he thought would

encourage foreign investment there.

Economic Development.—Contributions totaling \$20,012,500 for the United Nations expanded program of technical assistance were pledged during the Technical Assistance Conference which met June 12-14. Sixty percent of this amount, \$12,007,500, was offered by the United States following the enactment of the Omnibus Foreign Assistance Bill, which authorizes funds for technical assistance. These contributions are to cover the first financial period of the operation, ending December 31, 1951.

Specialized Agencies

Besides the general conferences of the International Labor Organization, the International Civil Aviation Organization, the World Health Organization, and the United Nations Educational, Scientific and Cultural Organization, held during this period, the Council of the United Nations Food and Agriculture Organization and the Executive and Liaison Committee of the Universal Postal Union have met. The United States is a member of all these agencies; the Soviet Union, however, is represented on only one—the Universal Postal Union. The latter's Executive Committee, which is the first body to take such action, decided to seat the Chinese Communists at its session but rejected a proposal to exclude the Chinese Nationalists and to admit the Communists on a permanent basis. The Council of the

Food and Agriculture Organization (FAO), which held its ninth session May 8-17 in Rome preparatory to establishing permanent FAO headquarters there sometime next year, discussed primarily financial and administrative arrangements for this

International Labor Organization.—Following a meeting of its Governing Body, the International Labor Organization (ILO) convened in its 33d general conference on June 7 at Geneva. This conference, which is expected to last until July 1, voted on June 12, to admit the United States of Indonesia as the 61st member country of the ILO. Among the problems to be considered at this conference are: measures to combat world unemployment, ways to increase labor productivity, collective agreements on wages and conditions of employment, conciliation and arbitration, labormanagement-government cooperation, equal pay for men and women for work of equal value, minimum wage regulation in agriculture, and vocational training of adults, particularly the disabled.

International Civil Aviation Organization.— The fourth session of the International Civil Aviation Organization (ICAO), which convened at Montreal on May 30, is considering primarily technical, economic, and legal problems involved in the safe and orderly development of international civil aviation. Icao's role in the technical assistance program is also an item on the agenda.

World Health Organization.—The third Assembly of the World Health Organization (Wно), which met at Geneva, May 8-27, admitted four new members, Indonesia, Vietnam, Cambodia, and Laos, and one associate member, Southern Rhodesia. With respect to those members that have signified their intention of withdrawing from the organization-The Republic of China, the U.S.S.R., and its satellites—the Assembly decided no action was desirable at the present time. Among other matters considered were a 4-1 year program and various problems in connection with Who's central technical services, its field operations, and its joint activities with other United Nations agencies

 $UNES\~CO$.—The fifth general conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) opened at Florence on May 22. In the general debate at the beginning of the conference on the report of the organization's activities, the United States representative, Howland H. Sargeant, called for curtailment of less essential activities and concentration on several major specific projects, particularly the extension of democracy in areas where antidemocratic forces are still strong and potentially dangerous and the attainment of practical observance of the Universal Declaration of Human Rights. Later in the session, United States Senator William Benton presented a resolution calling for concentrated Unesco efforts to further the democratic "selfeducation" of the peoples of Western Germany and

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Ralph Block, author of the article on propaganda as an instrument of foreign policy, is a member of the Policy Advisory Staff of the Assistant Secretary for Public Affairs, Department of State.